

THE SECRET OF JAPAN'S TRADE EXPANSION

Chapter I INTRODUCTORY

OUTCRIES such as "the menace of Japanese Commercial expansion," "Japanese dumping," "New Yellow Peril," etc. are being raised in all parts of the world. Many people would appear to think that the inrush of Japanese merchandise will ruin the world's industrial organization and bring its civilization to a lower level. There also seems to be no negligible number of persons who, while knowing at heart the groundless nature of their argument, purposely make a sensational appeal to public opinion in order to promote their own interest, hoping thereby to attain their object of stopping the importation of Japanese goods. They allege that Japanese merchants are dumping their wares; that the Japanese Government grants large export bounties and thus helps dumping; that the Japanese Government deliberately depreciated the yen

**THE SECRET
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of nonsense in which no fairminded person will concur.

All the world now seems to know the fallacy of Japanese exports below cost price or with government assistance. In the following pages, therefore, the author ventures to present an exposition of the truth regarding other matters which are still being subjected to misrepresentation abroad.

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OUTLINE OF DR. KOJIMA'S STUDY

Professor Masataro Kojima, Doctor of Economics, of Kyoto Imperial University, has been for some time engaged in the study of the Japanese textile industry, with an especial emphasis on the management side of the cotton spinning and weaving branches. His first report appears in the March 1934 number of the *Monthly Report of the Japan Cotton Spinners' Association* under the title of "*Movement of Mechanical and Labour Efficiency in the Japanese Cotton Spinning Industry*".⁽¹³⁾ This study takes the year 1913 as the basis of comparison, and is full of useful observations from various angles. But it would be rather unsuited to those who want to take the slump year 1929 in the valuation of the Rationalization. Nevertheless, it is an indispensable material to those who are interested in the question of the efficiency of the cotton industry. Outstanding features of this report are summarised below for the benefit of those who cannot read Japanese.

The Japanese cotton spinning industry has been able to produce finer counts of yarns without increas-

(13) Studies published in the subsequent issues of the Report are:—
"On the Gathering and Scattering of Female Operatives in the Japanese Cotton Spinning Industry" for April 1934; "Movement in the Production and Export of Japanese Cotton Manufactures" for May 1934; "The Present Conditions of the Scale of Enter-

THE SECRET
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BY
ISOSHI ASAHI



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another. Besides the Toyoda automatic loom, there came out Tada, Iwanaga, Kitano, Kimoto, Igeta, Nakamura and Senshyuu systems. The Toyoda automatic loom is considered to be the world's best. The English firm of Platt Brothers used to supply more than a half of the looms in Japan. It now bought Toyoda's patent in order to sell Japanese looms in England. In the weaving section, the output went up 450% with an increase of 60% only in labour. By way of foot note, the auther would like to add that the Toyoda Automatic Loom Manufacturing Company cannot accept orders now unless they are placed 18 month ahead.

(C) COAL MINING;

In the coal mining industry, per head production increased 45% to 218 tons in 1932 from 150 tons in 1929. Up to 1930, no legal restrictions had been placed on the working hours in the coal mining industry. In that year, the maximum hours were fixed at 10 in the pit. The hours are computed from the time when a miner enters the pit to the time when he comes out of it, and include the time for breaking and that required for going to and from the actual place of work. The net working hours vary according to mines, but the average is said to range from 5 to 7 hours.

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Table 23. Number and Kind of Sports Facilities in Factories and Mines of Japan.

Kind of Factories and Mines	No. of Factories and Mines investigated	Sports in Factories and Mines										
		Fencing	Judo	Ping-pong	Baseball	Tennis	Pool	Football	Archery	Wrestling	Volleyball	Basketball
Silk reeling...	830	63	14	412	177	284	6	61	27	58	70	99
Spinning	238	93	52	208	191	199	12	37	62	75	104	87
Weaving	213	20	4	109	87	82	12	—	8	17	20	19
Other textile..	104	16	5	53	40	45	—	5	3	11	7	9
Machine & tools	290	48	37	88	151	116	4	31	41	58	14	13
Chemical	233	50	23	93	126	93	11	8	26	37	20	15
Food & drink..	68	9	4	24	34	27	2	3	12	11	5	5
Miscellaneous..	144	14	13	39	51	26	2	1	3	8	3	2
Gas & electricity...	23	8	6	5	10	9	1	2	5	5	1	—
Government..	74	31	17	51	56	62	3	14	34	16	35	58
Mines	117	78	52	54	83	80	16	14	45	58	17	13
Total	2,384	435	227	1,136	1,006	1,023	69	176	266	354	236	294

Investigated in 1932. Rapid increase is evident since then.

7. WELFARE FUNDS;

"During the last decade there has been a tendency to place welfare institutions on a more permanent and organised basis, and instead of being left to the initiative and management of the employer, they are becoming more and more joint undertakings or are even due solely to the initiative of the workers. The first developments in this direction were the setting up of *welfare funds* whose accounts are kept wholly in-

"No good, but possibly much harm, can come of ascribing the successes of Japan in foreign trade to unfair methods."

—*Economic Conditions in Japan*, p. 38, by G. B. Sansom, C.M.G., Commercial Counsellor, H.B.M. Embassy, Tokyo and D. W. Kermode, Acting Commercial Secretary, H.B.M. Embassy, Tokyo.

"... it can be said that social dumping consists in increasing the chance of exporting national products by reducing the cost of production by means of depressing conditions of labour in the undertakings which manufacture them, or maintaining those conditions at a very low level if they are already at such a level. That may be done either with the consent of the workers or by compelling them to accept such conditions.

If that is what social dumping means, it may be stated that it does not exist in the Japanese industrial undertakings working for export which I visited." (italics are the author's)

—Mr. Fernad Maurette, Assistant Director of the International Labour Office. (See Appendix for a full text).

Western civilisation which an adult man is supposed to consume in the course of one week. Out of the 31 different articles of food and others contained in the *International Food Basket*, only 15 are deemed to be necessities for the Japanese worker. The International Labour Office should be congratulated on its wisdom in not attempting to extend it to the countries of Asia. Particulars of this basket are given below with remarks applying to the Japanese worker:—

Table 24. Contents of the "International Food Basket."

Name of articles	Whether wanted by a Japanese
White bread.....	No.
Rye bread.....	No.
Flour	Yes.
Oat meal	No.
Butter.....	Vegetable oil (sesame, rape seed, soya bean oils, etc.) are necessities. The animal fat here mentioned or its substitute is usually dispensed with in Japan.
Margarine	
Lard	
Beef	Yes.
Mutton	No.
Pork	Yes.
Veal	No.
Bacon	No.
Potatoes.....	Yes. But not so much as in Europe.
Sugar	Yes.
Coffee.....	No.
Tea.....	Japanese tea is wanted. Not black tea.
Cocoa	No.
Cheese	No.
Milk	Yes and no.
Eggs	Yes.
Rice.....	By all means.

FOREWORD

UNFORTUNATELY I am not blessed with that qualification which Talleyrand is said to have held as one most essential for a diplomatist—the ability to tell a good lie for his country. I am not an economist, either by calling or liking. My official duties usually keep me rather uncomfortably busy. Why, then, did I dare go out of my way to write this book, in spite of my disqualifications, and in a language which is foreign to me? Because I know from past experience how grossly Japan is misrepresented abroad. During my stay in London as Japanese Vice-Consul from 1929 to 1933, I often read about “Japan’s unfair competition.” In most cases charges levelled against Japan were based on knowledge which was wholly inaccurate. Since my return to Japan, opportunity was fortunately mine to see personally conditions in Japanese factories and analyse first hand information. I am now fully convinced that there is no justification whatever for the charge of “unfair competition.”

“*Muri ga tōreba Dōri ga hikkomu*” is a Japanese proverb meaning “Right disappears when might forces its way.” Justice and humanity may go down before unfair accusations of a moral nature such as the charge of “social dumping” if it gains foothold.

There may perhaps be no need to add here that

241

the views expressed in these pages do not reflect the opinion of the Japanese Government. Speaking for official Japan is above both my rank and ability. But this book would serve to show how an educated private citizen of Japan thinks on certain questions of international importance.

Some of the sources used in this book appear in print for the first time. In all cases, the sources are indicated in foot-notes. For the information of the readers, however, a separate bibliography is attached elsewhere.

In conclusion, I wish to avail myself of this opportunity to thank those friends who have so liberally assisted me in the collection of valuable *data* for my purpose. Especially are my thanks due to Mr. K. Nihro of the Commercial Bureau of the Foreign Office for many useful suggestions; Mr. H. Hayashi, Assistant Statistician of the Cabinet Bureau of Statistics, to whose painstaking computations I owe the real wages figures in Japan; Mr. T. Kanesaka, Manager and Engineer-in-chief of the Ōmiya Works of the Department of Railways; Mr. M. Takesawa of the Research Bureau of the Bank of Japan; Mr. S. Ohta of the Mitsubishi Economic Research Bureau; Mr. Morita, Secretary of the Federation of Japanese Industries and Mr. H. Murakami of the Japan Economic League.

I. ASAHI.

Tokyo, June, 1934.

CONTENTS

	Page
FOREWORD BY THE AUTHOR.....	i
LIST OF CHARTS.....	vii
LIST OF TABLES.....	vii
BIBLIOGRAPHY.....	ix
<hr/>	
Chapter I: INTRODUCTORY	1
Chapter II: JAPAN AND FOREIGN TRADE	8
Chapter III: FALLACY OF "EXCHANGE DUMPING".....	12
Chapter IV: SECRET OF JAPAN'S COMMERCIAL EXPAN- SION	19
(1) Rationalisation	19
(2) Increase of Efficiency and Reduction of Costs ...	25
(A) General Outlook.....	25
(B) Cotton Spinning and Weaving	26
Comparison of the Japanese and the English Cotton Industries	33
Outline of Dr. Kojima's Study	35
(C) Coal Mining	37
(D) Artificial Silk	38
(E) Railway Work Shops.....	39
(F) Chinaware	45
(3) Superior Nature of Japanese Labour and Work- manship	46
(4) Characteristics of the Japanese Workman	49
Being Industrious	49
Being Competitive	50
Being Studious	52

	Being Dexterous	54
	Love of Nature.....	55
Chapter V:	CONDITIONS OF LABOUR IN JAPAN	56
(1)	General Outlook	56
(2)	Special Factors in Japanese Conditions of Labour.	61
	1. Population and Resources	61
	2. Difference in the Mode of Living	66
	3. Short Duration of Employment	66
	4. Family System and Welfare Work.....	67
	5. Mistake of Converting Japanese Wages at Current Exchange Rates	68
	6. Intensification of Labour and Seasonal Labour.	69
(3)	Working Hours and Rest Days	70
	Hours of Work.....	70
	Rest Days	72
(4)	Wages and Cost of Living	73
	Nominal Wages	73
	Cost of Living and Real Wages.....	74
	Supplementary Wages	83
(5)	Welfare Work	86
	Introductory	86
	1. Allowances	90
	2. Living Quarters and Dormitories	95
	3. Health and Medical Attention	96
	4. Supply of Articles.....	97
	5. Education	99
	6. Culture, Recreation and Amusement.....	100
	7. Welfare Funds	102
Chapter VI:	WORKERS' STANDARD OF LIVING	104
(1)	Difference in the Mode of Living	104
(2)	Workers' Standard of Living	112
	Savings	116
Chapter VII:	CONCLUSION	117

CONTENTS

v

APPENDIX: Full Text of the Preliminary Report on the Mission of Mr. F. Maurette, (Assistant Direc- tor of the International Labour Office) to Japan —April 3rd to 21st, 1934. Published at Geneva on June 1, 1934	121
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----

PICTORIAL SECTION: (Sixty-five photographs)

1. Interior of a silk filature.
2. Elimination of one process in cotton spinning.
3. Individual driven motor in cotton spinning.
4. Two votive stone lanterns in the shrine of the patron
gods of a factory.
5. *Chuisho bako*.
- 6-10. Steam locomotive overhaul at Ōmiya Works.
- 11-26. Life in dormitories.
- 27-36. Education in dormitories.
- 37-49. Physical culture.
- 50-55. Workers' clubs.
- 56-60. Medical attention.
- 61-65. Annual or semi-annual events.

LIST OF CHARTS

	Page
1. A Chart Showing Industrial Production and Employment Indexes in Japan. 1930-1934 (Basis; 1930—100)	27
2. A Chart Showing National Wage Index and Real Wage Index in Tokyo. 1929-1934 (Basis; 1920—100)	76

LIST OF TABLES

1. Imports and Exports in Various Countries Expressed in Gold Value (old U.S. Dollars)	9
2. Japanese Exports Expressed in Terms of Yen and Dollars. 1929-1933	10
3. Cost of Materials Per Bale of Cotton Yarn, 20s and Exchange Rate in Japan. 1931-1934	16
4. Reduction of Working Hours and Increase of Annual Per Head Production in Various Industries of Japan. 1922-1932	26
5. Number of Mill Hands Per 10,000 Spindles and Average Wages in Japan. 1929-1934	28
6. Reduction in Time, Labour and Costs Required for the Overhaul of Locomotives, etc., at Ōmiya Works, Japan, 1922 and 1932	42
7. Population on Arable Land Per Square Mile in Various Countries	62
8. Comparison of Monthly Average Incomes and Outgoings of Farmers and Factory Labourers in Japan	63
9. Towns and Villages Per 1,000 of Population in Japan, 1898-1925	64
10. Average Daily Wages in Certain Industries of Japan	65

LIST OF TABLES

11. Duration of Employment of Factory Workers in Japan ...	65
12. Destiny of Discharged Factory Workers in Japan, 1930-1932	68
13. Index Number of Wages in Certain Industries of Japan, 1931-1934	69
14. Actual Working Hours in Various Industries of Japan, 1927-1933	71
15. Money Wage Indexes in Various Countries, 1929-1934	73
16. Index Numbers of Cost of Living and Real Wages in Tokyo, Prepared by Mr. H. Hayashi, Assistant Statistician, Cabinet Bureau of Statistics. 1929-1934	77
17. Articles and Their Weight Used for the Computation of the Cost of Living Index.....	78
18. Real Wages Movement in Japan, England and America During the Past Ten Years, 1924-1933	82
19. Averages of <i>Kaiko Teate</i> According to Duration of Employment in Japan	92
20. Highest and Lowest Averages of Retirement Allowance According to Cause of Retirement in Japan	93
21. Amounts of Discharge and Retirement Allowance Paid During 1929-1932 in Factories and Mines of Japan	94
22. Number and Kind of Educational Facilities in Various Industries of Japan	100
23. Number and Kind of Sports Facilities in Factories and Mines of Japan	102
24. Contents of the <i>International Food Basket</i>	110
25. The Average Monthly Family Budget of Japanese Workers	113
26. Workers' Expenses for Necessaries of Life in Various Countries	115
27. The Average Monthly Income and Expenditure of Workmen and "Salaried Class" in Japan	116

BIBLIOGRAPHY

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exchange, thereby promoting Japanese exports and disturbing world markets; that the Japanese conditions of labour are very inferior, workmen living like slaves; that it is natural that in such a country goods should be produced at a price with which they could not hope to compete without lowering their own conditions of labour; that Japanese goods will bring about the lowering of the world's standard of living, and therefore they might properly be termed the enemy of humanity; that all must co-operate towards stopping the inrush of Japanese merchandise for the upholding of world civilisation, and so on.

Notwithstanding these sensational appeals, those who know the real conditions in Japan unanimously acknowledge the falsity of the arguments advanced.

Japanese industry has never exported its produce at prices below cost. The truth of this statement is clearly borne out by the good showing made by Japanese firms, especially by those connected with export trade, their profits far exceeding those of other industries.

It is true that the Japanese Government encourages the formation of export associations. A large part of Japan's foreign trade was in the hand of exporters of small or moderate means. Lack of control or coordination among these exporters sometimes evoked a meaningless competition which benefited nobody. It

was often accompanied by the lowering of the quality of goods, which inevitably injured the reputation of Japanese wares and resulted in the loss of oversea markets. In order to eradicate these evils, the Government enacted, as from September 1, 1925, the Export Association Law whereby the associations incorporated in accordance with the provisions of the Law are granted the status of a legal person.⁽¹⁾ The Government has never granted any export subsidy as such. The only financial assistance which the Government gives to export associations is a small subsidy, started in 1931, for the furtherance of establishing oversea branches of export associations. The main business of these branches, which number twenty-five to-day, is to supervise the enforcement of the agreements made among the members of the associations as to the minimum prices and the maximum quantity of their respective articles for export. It can therefore be seen that the aim of the export associations is the prevention of dumping, not the furtherance of it. There are at present 50 such associations with 4,793 members and a total capital of ¥2,168,350.⁽²⁾ The total amounts of subsidy paid by the Government to the export associa-

(1) *Yushitsu Kumiai Gakkyō* by the Dept. of Commerce and Industry, Feb. 1934. p. 1.

(2) A special enquiry made by the author at the Dept. of Commerce and Industry on June 28, 1934,

tions are ¥33,000 in 1931, ¥44,000 in 1932, ¥110,000 in 1933. The Budget for the year 1934 provides for the sum of ¥100,000 as a subsidy to these fifty export associations. No one would for a moment think that Japan can finance "dumping" amounting to ¥2,000,000,000 a year with such a paltry sum.

It is also true that the Government pays subsidies to shipping companies. Strictly speaking, however, these cannot be called subsidies at all, for a part of them is paid in compensation for the obligations, mail carrying for instance, which the Government imposes on shipping companies. Besides, Japan is not alone in granting State subventions to shipping. According to a statement of Mr. S. Kurokawa, President of the Japan Shipowners' Association, as published in "*Fairplay*"⁽³⁾, the following shipping subsidies are granted by leading maritime nations:—

		Index No.
Japan	¥ 9,759,965	100
Great Britain £928,600 at par	9,058,039	93
France Frs. 271,203,000 at par	21,317,639	218
Italy Lire 254,000,000 at par	37,381,204	383
U.S.A. \$28,300,000 at par	56,774,866	582

It is noteworthy that the preceding calculations are made at par of exchange. If the current rates of exchange are used, the index numbers shown on the

(3) *Fairplay*, Thursday, March 22, 1934, p. 601.

right hand side of the foregoing table (exclusive of Japan's) would become far larger than they actually are.

Mr. Kurokawa states further that "It is often asserted, usually with a motive, that Japanese shipping exists on State subsidies—or, in other words, is supported by the general body of taxpayers. Let us take this opportunity to deny categorically such an assertion as inaccurate, if not malicious."

Moreover, freight rates are subject to regulation by international shipping conferences of which practically all major Japanese shipping companies are members. Therefore, they cannot reduce their freight rates without the concurrence of the other members of the conferences. At any rate, Japanese exports are not promoted by shipping subsidies. The explanation for Japan's export expansion must be sought somewhere else.

Writing under the sub-heading of "Government Assistance," the British Commercial Counsellor in Tokyo says⁽⁴⁾:—

"... Reports received here from almost all parts of the world show that exaggerated opinions are current abroad as to the nature and extent of Japanese Government assistance to trade. It has lately been alleged, for instance, that 'the Government is subsidiz-

(4) *Economic Conditions in Japan*, pp. 29-30.

ing the major industries of Japan in order to keep her workers employed.' Such statements are quite unfounded It (the total of subsidies granted to private industry, exclusive of agriculture, fisheries, etc.) is not a large sum, and it is clear that the direct pecuniary advantage, when spread over the whole of industry and trade, is insignificant"

The fall of the yen is doubtless a factor in the promotion of Japanese exports. But it is wide of the mark to say that the Government depreciated it deliberately in furtherance of Japanese exports.

As regards the conditions of labour in Japan, it must be frankly admitted that they are not satisfactory. Nor is the national wage level so high as that of some countries. But is there any country on the globe where working conditions are what they should be? Is it right to say that high wages always mean improved conditions of labour? A comparison of conditions of labour in various countries is a very difficult task. No greater mistake can be committed than judging them by merely comparing wages. The author is of opinion that the Japanese factory worker leads a happier life than many of his brethren in other countries. Strong exception must be taken to the argument that Japanese goods are the common enemy of mankind in that they tend to bring down the living standard in other countries. It is a piece

Chapter II

JAPAN AND FOREIGN TRADE

JAPAN is a small country poor in natural resources. Moreover, she has a large population which keeps on increasing every year. In order to sustain this population, she has to import a great deal of raw materials from abroad. These imports have to be paid for with exports. As she has very scanty natural resources, she is dependent on foreign countries for the greater part of raw materials for her exports. Japan therefore needs to import foodstuffs and raw materials which have to be exported in the form of manufactured goods. It is not too much to say that Japan is trade, if not that trade is Japan. In this respect, densely populated countries such as the United Kingdom, Belgium and the Netherlands are in a position similar to Japan, but to a certain extent only. They all have large but thinly populated colonies overseas. In addition they have large investments abroad from which they receive considerable returns every year. The extent to which these countries depend on international commerce may therefore be said to be smaller than in the case of Japan. This is especially so in the case of Great Britain, for she has

abundant supply of such important resources as iron and coal. In spite of the fuss made throughout the world about Japan's trade development, her share in the world trade is much smaller than any of these countries or of the United States, France, Germany or Italy; Examine the per head figures in the following table:—

Table 1. Imports and Exports in Various Countries Expressed in Gold Value (old American dollars)(1).

	Imports		Exports		Population
	Total (in million dollars)	Per head \$	Total (in million dollars)	Per head \$	
Great Britain...	2,281	49.66	1,280	27.86	45,930,000
Holland	524	64.75	341	42.14	8,092,000
Belgium	452	57.07	411	51.87	7,920,000
Japan	395	6.12	388	6.01	64,450,000

The total amount of Japanese exports is only 3.05% of the aggregate of the world's exports, which was \$12,726,000,000 in 1932. Much is being made of Japanese competition as if it were responsible for the hard times experienced in industrial countries. But manufacturing industries in all countries are hit primarily by the fall in consumption due to the world depression and secondly by the adoption in many countries of measures calculated to prevent the impor-

(1) The amounts of imports and exports are for 1932 as published by the League of Nations in the *Review of World Trade* 1932, p. 26. The population is for 1930. Per head figures by the author.

tation of foreign articles.

Japan's exports are also adversely affected by the universal depression. Even in 1933 when her trade is said to have made a remarkable stride, her exports did not reach the level of 1929 notwithstanding the depreciated value of the yen. Compared with that year, the amount of export for 1933 is 91.9% in value. Expressed in terms of gold, it dwindled to 37.7%. Figures are as follows:—

Table 2. Japanese Exports Expressed in Terms of Yen and Dollars 1929-1933. (Basis: 1929=100)

	1929	1930	1931	1932	1933
In yen, ratio	100.0	68.1	53.2	64.8	91.9
In gold, ratio index	100.0	72.9	56.4	37.6	37.7

These figures would testify how unnecessarily and misleadingly sensational are words such as the "menace of the inrush of Japanese goods," "New Yellow Peril," etc. Japan's export trade is hard hit by the worldwide depression and Japan joins other countries in the desire and effort for an early restoration of prosperity. It is undeniable that there was remarkable development in some particular varieties of merchandise in some particular markets. It is also true that the effect of the universal depression is not

(2) From the *Monthly Bulletin of Statistics*, League of Nations, No. 2, Vol. XV, 1934, p. 51.

so marked in Japan as in other countries. But these facts cannot be attributed to any unfair method on the part of Japan. As will be more particularly described hereafter, they are due chiefly to the rationalisation of industry by the co-operation of the industrialist and worker and to the excellent quality of Japanese labour.

Further it must not be overlooked that in Japan an increase in exports is always accompanied by a proportionate rise in imports. Japan's trade balance has always been against her with the exception of a few years during the Great War. As there is small likelihood of this tendency changing in the future, increased Japanese exports are bound to raise purchasing power in foreign countries, especially in those which supply Japan with raw materials, which in turn creates an increased demand in these countries for goods from the other countries of the world.

Chapter III

FALLACY OF EXCHANGE DUMPING

THE first alarm of the West at Japanese commercial expansion found expression in the absurd charge of "exchange dumping." The Federation of British Industries declared in a pamphlet entitled "*The Menace of Japanese Competition*" that "the Japanese Government not only depreciated her exchange to the level equivalent to the fall in the gold value of sterling, but brought it substantially below that level." This seems now to be gradually giving way to a saner opinion, as is evidenced by the December issue of the *Round Table* (See "*Japan's Bid for World Trade*"). Nevertheless, there are many who still say that Japan deliberately devalued her exchange as a sort of export bounty. It will be most interesting to know whether these people actually believe so or merely say so without believing it. For self-interest often ignores the facts, while fair play is eager to analyse them.

It is, however, beyond the scope of this booklet to make an exhaustive treatment of these facts, which would perhaps require a volume by itself. Suffice it to say that forces had long been working against the gold yen, and the departure from the gold standard

was no longer a matter of choice to the Japanese Government when the gold embargo was reimposed in December 1931. There is of course no truth in the statement that the Japanese Government depreciated the yen as a matter of policy. On the contrary, the fall of the yen exchange was rather due to causes over which Japan had no control, such as a lack of confidence abroad in the future of Japan. For instance, the Japanese Government 5% Sterling Bonds with a face value of £100 fell as low as £47 in June 1932. The *Round Table* shares this view when it says that "The yen has fallen largely because other countries lack confidence in Japan."

The Japanese Government enacted and enforced, from June 30th of that year, the Law to Prevent the Flight of Capital. Describing the attitude of the Japanese Government towards the exchange question, the British Commercial Counsellor in Tokyo writes in his official report that⁽¹⁾ "The Government have in general not attempted to interfere with the course of exchange, except in so far as they have restricted capital transactions in foreign currency by the Law mentioned above,⁽²⁾ and have tried to stop purely

(1) *Economic Conditions in Japan*, Department of Overseas Trade, London 1933, a report by G. B. Sansom, C.M.G., Commercial Counsellor, and Mr. D. W. Kermode, Acting Commercial Secretary.

(2) The Law to Prevent the Flight of Capital.

speculative dealings. They appear, however, to have supported the yen on one or two occasions when it seemed likely to slip below \$20, and it was officially announced in January, 1933, that more rigid exchange control regulations would shortly be introduced." The "more rigid exchange control regulations" mentioned by Mr. Sansom were put in force as from May 1st, 1933. Between December 1931 when Japan went off gold and December 1933, she shipped gold abroad to the amount of 29,448,087 *monme* (3,550,357 ounces Troy by the author's calculation). Had the devaluation of the yen been Japan's object, she would not certainly have resorted to this costly course of shipping gold overseas.

There is no denying that the low value of the yen stimulated Japanese exports, but never to the extent as visualized by the *Round Table*, which states:—

For 100 gold units of foreign currency in December, 1931, the manufacturer could supply goods for export worth 100 yen. But for 100 gold units in December, 1932, he could supply nearly 250 yen's worth of goods. In other words he could, without diminishing his receipts in yen, reduce his prices in a gold currency in the ratio of 250 to 100.

This might have been perfectly true had the internal prices of articles for export in Japan remained stationary since December 1931. As a matter of fact,

however, the wholesale prices of merchandise for export (11 articles) in Japan was 59% higher in December 1932 than in the same month of the previous year,⁽³⁾ while the index number of wholesale prices in the gold countries showed a sharp decline during the same period, for instance from 105 to 90 in America and from 102 to 84 in France. If 1931 is taken as 100, the wholesale prices in America and France in December 1932 were 89 and 82 respectively, in contrast to 160 of Japanese export price. In other words, for 100 gold units of foreign currency in December 1931, the American, the French or the Japanese manufacturer could each supply 100 units of goods for export. In December 1932, 100 gold units could buy 112 American, 122 French or 150 Japanese, units of merchandise.

At the risk of appearing too pedantic, those who accuse Japan of "exchange dumping" may be reminded of the axiom that a low exchange is a two-edged weapon. It may favour export for a very short time, and to a degree. Even this slight and temporary advantage is more than offset by the harm a low exchange does to import trade, especially in a country like Japan where imports are always in excess of exports. This is more so when export trade depends,

(3) The Mitsubishi Bureau of Economic Research—*Honpō Kinyushitsu Saikinshi Go no Bukka no Suiri* (Movement of Prices after Japanese Reimposition of the Gold Embargo).

as Japan does, on raw materials produced abroad. The case of cotton yarn may be briefly described as an illustration.

In November, 1931, when Japan was on gold, the cost of materials per bale of cotton yarn of 20 counts was ¥72.63. The cost was doubled in February 1933. In March this year, it reached ¥171.92,⁽⁴⁾ or an increase of 236%. While the cost of materials for which Japan depends on import showed such a spectacular rise, the value of the yen in terms of the pound sterling fell 42%.⁽⁵⁾ Thus whereas the advantage which Japan is said to derive from the depreciated yen is only 42%, the price which she has to pay for materials of cotton yarn advanced 236%.

Table 3. Cost of Materials per Bale of Cotton Yarn 20's⁽⁶⁾, and Exchange Rate⁽⁷⁾ in Japan.

Date	Cost of Materials ⁽⁸⁾	Ratio of increase	Average monthly rate of the (all of the year) sterling exchange ⁽⁷⁾
End of Nov. 1931 ⁽⁶⁾	¥ 72.63	100%	—
End of Feb. 1933 ⁽⁹⁾	145.99	201	40.9%
End of Nov. 1933	153.47	211	42.6
March 16, 1934	171.92	236	42.5 (Feb.)

That the so-called advantage of a low exchange is

(4) By the courtesy of the Bank of Japan.

(5) By the courtesy of the Yokohama Specie Bank.

(6) By the courtesy of the Bank of Japan.

(7) By the courtesy of the Yokohama Specie Bank.

(8) Two weeks before Japan went off gold.

(9) Just before America's departure from gold.

of rather a doubtful nature is clearly demonstrated by these figures. Moreover, such advantage, if it is one, is handicapped by the lack of that condition which is the mainstay of all healthy business development—stability. When exchange takes a downward course, it is import, not export as a rule, which is benefited. When a *depreciating* exchange becomes a *depreciated* one, then, and only then, can it be said that exchange favours export. But since fluctuation is a characteristic of paper exchange, that stage is seldom attained where it can be truly said that exchange is depreciated. Even when that stage is reached and exchange fluctuates no more, forces at once begin to neutralise the benefits which one country may enjoy from a low exchange.

The advantage of a low exchange has another drawback in that it cannot last forever, and in the case of Japan, it did not certainly last, as predicted by the Joint Committee of Cotton Trade Organisations of Manchester. Discussing the "duration of the exchange advantage" in a pamphlet entitled "*Factors in Japanese Competition, 1924-32*," the Committee begins by stating that "The question of most interest to those who have to meet Japanese competition is how long the advantages of yen depreciation are likely to last." The Committee concludes that "The adjustment of the level of earnings and cost of living to a depreciat-

ed currency can, however, only be a question of time and, in any event, Japan cannot immediately repeat the advantage she gained in the early part of 1932 from the heavy purchases of cotton before the yen depreciated. Moreover, the long period effects of a varying exchange are detrimental in many ways. There has already been a demand in Japan for an exchange equalisation fund to steady movements in the yen exchange."

Chapter IV

SECRET

OF

JAPANESE COMMERCIAL EXPANSION

(1) RATIONALIZATION

" . . . to-day in many fields the Japanese manufacturer produces a better article than ever, and at a less cost.

By the second half of 1932 Japanese goods in great variety were flooding markets all over the world; and, though the fall in the exchange value of the yen was in many cases the chief reason for this success, *its underlying cause* is increased efficiency." (italics are the author's).

—G. B. Sansom, C.M.G., Commercial Counsellor,
H.B.M., Embassy, Tokyo.⁽¹⁾

MANY observers in the West hold that "unfair competition" is responsible for the inrush of Japanese goods. Some believed that Japanese industry was built up upon a foundation of grants and subsidies and would collapse without them.⁽²⁾ Others alleged, the Federation of British Industries for instance, that the Japanese Government depreciated the yen in order to promote exports. As, however, the truth came

(1) *Economic Conditions in Japan*, p. 28.

(2) *Ibid.* p. 29.

gradually to be known, these two kinds of "dumping" charges gave place to a new variety of charge—that of "social dumping."

Those who love fair play, however, have already discerned the truth and pointed out, as Mr. Sansom has done in his official report, that increased efficiency is the real key of Japan's success in export trade. The British Commercial Consellor is not alone in this view, for the *Times* (Feb. 6, 1934) also writes that:—

"Another important factor was the rationalization or amalgamation⁽³⁾ achieved by Japanese industries. Thus the cost of production was reduced to such an extent that the Japanese industries were enabled to undercut competitive industries of other countries. This factor bore fruit last year and will probably remain permanent, whereas the low exchange and low wages that gave undeniable benefits to the export trade were temporary; there was already towards the end of last year a tendency for both exchange and wages to rise at the expense of Japanese exports."

(3) The words rationalization and amalgamation are evidently used synonymously in this article in the *Times*. In Japan, rationalization is not always amalgamation. It usually means something more. Amalgamation is doubtless one of the means whereby rationalization is achieved. Throughout the present article, therefore, the word rationalization is employed in somewhat wider sense than mere amalgamation.

According to the *Economist*, Sir Harry McGowan, Chairman of Imperial Chemical Industries, Limited, reviewing various factors in Japanese competition, attached most importance to efficiency. Writing in the "Notes of the Week," the *Economist* says⁽⁴⁾:—

"One factor in Japan's success, Sir Harry admitted, was the temporary advantage of the 63 per cent. devaluation of the yen. The importance, however, of low wages and long working hours had been, in his opinion, greatly exaggerated; national habits and needs were different in Japan from those of a Western country, and a mere monetary comparison of wage rates was therefore meaningless. Sir Harry himself, in going through Japanese factories, had 'found no outward signs of malnutrition, of lack of physical energy or of a discontented people.' The third factor, to which Sir Harry clearly attached most importance, was efficiency of organisation. 'Protection,' he observed, 'is no substitute for efficiency'."

The *Manchester Guardian* asks the question⁽⁵⁾:—

"How, then, are we to explain the industrial vigour that has, during the past two years, spread alarm through every manufacturing country? An essential factor has been the depreciation in exchange,

(4) The *Economist*, London, Feb. 3, 1934. p. 229.

(5) *Japan's Trade Policy*, Jan. 26, 1934.

but depreciation alone will not convert a nation whose manufactures Mr. Aldous Huxley described a few years ago as "Woolworth" into the menace for protection against which great manufacturers all over the world are clamouring."

Japanese industry saw a rapid expansion during the Great War. After the War, it has been continuously confronted with all sorts of difficulties one after another. To mention a few prominent examples; the post war universal depression; the Great Earthquake of 1923; the financial panic of 1927; the deflation following upon the removal of the gold embargo in 1930. These hard times served to eliminate the less stabilised enterprises. By the operation of the law of the survival of the fittest, industrial undertakings on a firmer foundation alone remained to face the new era of rationalization. They set about the task of reducing the cost of production by way of replacement of old machinery with the new and more efficient; improvement of technique; elimination of waste in every field of manufacturing and management, and so forth.

It is this Rationalization, for which the Japanese manufacturer has had to pay a very heavy price, that has given his merchandise such competing power as is called a "menace" everywhere. The Rationalization in Japan is still in the process of making. Yet he has already acquired the power to meet any com-

petition in world markets, provided it is a fair one, not only in what Mr. Huxley referred to as "Woolworth," but also in quality goods.

The idea of rationalization did not originate in Japan. Four or five years ago, even the word *tōsei*, which forms an important phase of rationalization, was not in common use at all. The 1929 edition of *Saito's Japanese English Dictionary* (4,640 pages) does not contain that word. The hard times of 1929-32 following upon the raising of the gold embargo accelerated the process of the Rationalization, as remarked by Mr. Sansom (see below for quotation).

The time has not come yet to make a profit and loss account of the Rationalization in Japan. But the secret of Japan's recent commercial expansion abroad cannot be known if this outstanding fact is overlooked, namely, that whereas the manufacturer in some other countries did nothing but grumble about the hard times with folded arms, the Japanese manufacturer boldly headed for rationalization, and has managed, at a price of course, to attain some measure of success.

For a brief description of the Rationalization of Japanese industry in 1932, the words of an impartial third party may be borrowed. Writing under the heading of "*Rationalization*," Mr. Sansom, British Commercial Counsellor in Tokyo says in his official report that⁽⁶⁾ :—

(6) *Economic Conditions in Japan*, pp. 23-29.

"The leading feature of industry in Japan during the period under review is its progressive 'rationalization.' In most of the important manufactures there was a serious and on the whole successful effort to improve organization and technique, to economise labour and to reduce costs. . . ."

"That rationalization has been more than a popular phrase is patent to any one who has spent the last few years in Japan. The quality and the variety of Japanese manufactures have improved at a remarkable rate. The development was doubtless not so sudden as it appears, since the national energies have been devoted to this end for long past, and there has now grown up a generation equipped with the necessary knowledge and skill, which is able to profit by the experience—both the achievements and the mistakes—of other industrial countries."

"But the hard times of 1930 seem to have accelerated the progress, with the result that to-day in many fields the Japanese manufacturer produces a better article than ever, and at a less cost. By the second half of 1932 Japanese goods in great variety were flooding markets all over the world; and, though the fall in the exchange value of the yen was in many cases the chief reason for this success, its underlying cause is increased efficiency."

"For long past those aggrieved by Japanese com-

petition have been apt to console themselves with the thought that the Japanese are lacking in mechanical skill and tradition, and that consequently their work-people could not hope to reach the standard of older industrial countries. This might have been true several decades ago, when in most households in this country a screwdriver or a spanner were unfamiliar instruments; but to-day small boys make wireless sets and are interested in any kind of mechanism; and even if most modern factory processes demanded more than the ability to repeat one simple operation they would present no serious difficulties to a deft-fingered people who have been unrivalled craftsmen for centuries."

"It is not lack of adaptability on the part of her workers which will set limits to the industrial expansion of Japan; and, as for the leaders of industry, if one may judge by results, Japanese directors, managers and technicians are not wanting in skill and enterprise. If they are deficient in such respects, their faults will not stay uncorrected for want of energy and determination."

(2) INCREASE OF EFFICIENCY AND REDUCTION OF COSTS

(A) GENERAL OUTLOOK

The following table prepared by the Social Bureau of the Department of Home Affairs tells the story of

increased efficiency in Japanese manufacturing industry during the recent years. Such increase in productive efficiency was made possible by the improvement of both machines and labour. It resulted in a corresponding decrease in the cost of production.

Table 4. Reduction in Working Hours and Increase in Annual per Head Production in Various Industries of Japan, 1922-1932.

	Textile Industry		Spinning Industry		Silk Filature		Coal Mining	
	Work- ing hours per diem	Per head produc- tion (in 10,000 yards)	Work- ing hours per diem	Per head produc- tion (in bale)	Work- ing hours per diem	Per head produc- tion (in kwan)	Work- ing hours per diem	Per head produc- tion (in tons)
1922.....	11	18	11	12	12	18	—	111
1923.....	11	20	11	13	12	19	—	104
1924.....	11	20	11	13	12	22	—	120
1925.....	11	21	11	14	12	23	—	124
1926.....	11	22	11	14	10	23	—	134
	(a) 10		(a) 10		(a) 11			
1927.....	10	25	10	15	11	24	—	140
1928.....	10	31	10	16	11	24	—	142
1929.....	10	35	10	17	11	24	—	150
1930.....	10	39	10	18	11	26	129	153
	(a) 8.20		(a) 8.20		9.10			
1931.....	8.20	49	8.20	20	10	27	10	161
1932.....	8.20	50	8.20	22	10	24	10	218

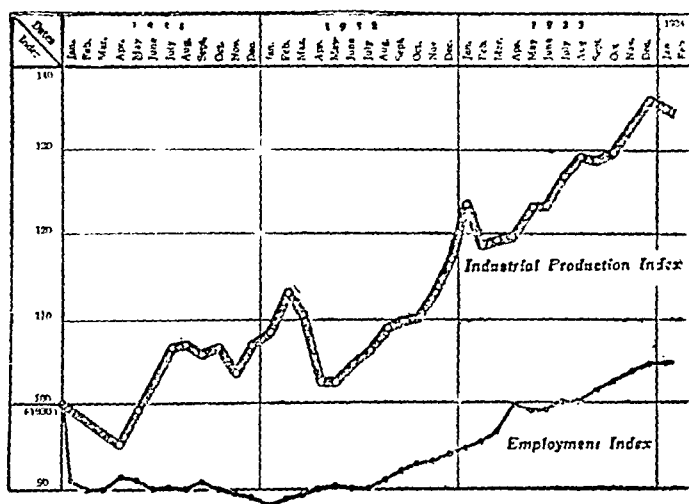
(a) From July.

(b) From September.

B; COTTON SPINNING AND WEAVING.

In June 1929, it required 61.2 male and 218.9 female operatives to work ten thousand spindles for one day in Japanese cotton spinning establishments. The wages amounted to ¥352.93. As the Rationaliza-

A Chart Showing Industrial Production and Employment
Indexes in Japan, 1930-1934. (Basis: 1930=100)



Sources: Production Index: Mitsubishi Economic Research Bureau, *Monthly Circular* No. 127, May, 1934. Weighted index of 26 articles. Basis: 1930=100. Employment Index; The Bank of Japan, *Statistics of Factory Labour*, the original base year is 1926, from which the figures here represented were converted to the basis of 1930=100.

tion progressed, the number of operatives was reduced in December 1932 to 31.9 male (52%) and 164.1 female (75%) workers. The wages paid decreased to 48% or ¥174.29.

The following table furnishes much food for thought⁽⁷⁾ :—

Table 5. Number of Mill Hands per 10,000 Spindles and Average Wages in Japan, 1929-1934.

Date	Male Operatives	Female Operatives	Daily Wages per 10,000 Spindles	Index Number
June 1929.....	61.2	218.9	¥362.93	100
Dec. 1929.....	56.2	206.0	323.90	89
June 1930.....	53.2	188.9	282.55	78
Dec. 1930.....	44.5	167.4	250.58	64
June 1931.....	40.8	163.6	215.14	59
Dec. 1931.....	37.3	162.0	201.65	56
June 1932.....	33.8	170.8	187.18	52
Dec. 1932.....	31.9	164.1	174.29	48
Mar. 1934 ⁽⁸⁾	25.1	163.7	—	—

As labour costs occupy about a half of the cost of production in the Japanese cotton spinning and weaving industries,⁽⁹⁾ this economy in labour costs is bound to affect the cost of production. It may be

(7) From a lecture entitled "On Japan's Cotton Manufacturing Industry" by Mr. Yoshikida Shikamura, as reported in the periodical *Kaer* No. 218.

(8) Worked out by the author from the figures contained in the May 1934 issue of the Monthly Report of the Japan Cotton Spinners' Association.

(9) From the *Kaer* No. 218, p. 15.

deduced from the preceding table that this reduction was achieved not so much by pressure upon wages as by the saving of labour in consequence of improvement in equipment and machinery. Thus if the average daily wage per operative in June 1929 (¥1.29) is taken as 100, that for December 1932 stood at 81, whereas the aggregate wages dwindled to 48. As a further illustration of this point, the labour saved in various processes of cotton spinning in a certain mill is briefly described below.

1. In the mixing section equipment was very much simplified so that the raw cotton fed into the machine comes out automatically without any trouble. Formerly several hands attended to this machine. One operative looks after it now.

2. In the blowing section, one process has been dispensed with. Two processes only are required now. (One process only where there were formerly two.)

3. In the coarse roving section, one process has been eliminated by the use of the Japanese made Simplex fly frames. The costs of labour and motive power thus saved amount to one yen per bale. It used to take four processes in fine counts and three in middle and grosser counts. The present concern of the Japanese cotton spinner is to reduce them to two in the former and to only one in the latter. As

a matter of fact, some factories are already spinning middle and grosser counts in only one process in the coarse roving section.

4. In the fine roving section, productive efficiency has been increased by the employment of the high drought system. The usual equipment and the Simplex and the high drought systems compare as follows in a factory having 30,000 spindles spinning 20 counts⁽¹⁰⁾:—

	Usual Equipment	High Drought only	Simplex and High Drought
No. of machines required	284	252	240
No. of operatives required.....	258	155	143

These result in the following decrease in the cost of production (per bale):—

Cost of producing one bale of .			
20's	¥25	¥22	¥20

This curtailment is made possible by the economy achieved in labour, motive power, articles of consumption, repairs, overhead charges and so on.

5. Increasing by 15% the thread length of one cop. It used to require six operatives. Two girls can manage it now.

6. One process has been done away with by the

(10) From an article by Mr. K. Inamura entitled "*Mechanical Improvement and its Effect in the Cotton Spinning Industry.*" *The Diamond*, Vol. 21, No. 16.

elimination of the winder. Warping is now done direct from the Cheese bobbin.

7. Improvement of the warping creel.

8. Use of the Japanese made reaching-in-machine. Whereas formerly two operatives could attend to five only, now one operative is sufficient for the same amount of work.

9. Use of the automatic looms.

10. Use of auto-cloth guider.

11. Labour costs reduced by 50 sen per bale by discontinuing the practice of reeling from the cop.

To take the case of a certain mill near Nagoya, the sum total of these all-round improvements is that whereas the index of efficiency is 115 if the year 1926 is taken as the basis, the index of workers employed becomes 45, so that the per head productive efficiency of the workers increased 255% during the last few years. It is noteworthy that the per head earnings of operatives is on the increase. According to the figures obtained in a certain factory, in April 1934, the number of workers employed decreased 17.8% compared with the year 1933. The number of the machines worked increased, on the contrary, 1.3% in the spinning department and 4.8% in the weaving department, which was accompanied by the increase of production of 8.9% in the spinning and 20.9% in the weaving departments. The average daily earnings of the

workers (male and female) increased from 77.6 sen in 1933 to 82 sen in April 1934.

The Japanese cotton mill owner is able to devote his attention to the Rationalization for two reasons. One is that he put a considerable part of his profits during the boom period into reserve and consequently he has abundant funds at his disposal for improvements. The other is that no objection is forthcoming from labour against the elimination of irrational processes in manufacturing or the instalment of more efficient machines. When the author was shown round a certain cotton spinning mill in May 1934, he saw many motors in excellent conditions lying about in the yards of the factory. In answer to his question, *the chief engineer explained that these expensive Swiss motors were rather too fine for a cotton mill. In the fine roving section, he said, the customary group driven motors were being replaced with individual motors by the use of the Japanese made two speed motors. According to the chief engineer, the motive power thus saved amounts to 50 kilowatt per bale, and the shaft loss decreases 15% on account of the discontinuance of the main shaft. Moreover, whereas it used to require an area of 2,000 *tsubo* for the accommodation of 30,000 spindles under the old equipment, the same space now can contain 47,000 spindles.*

COMPARISON OF THE JAPANESE AND THE ENGLISH
COTTON INDUSTRIES

The Japanese cotton industry has thus come to occupy a superior position to that of other countries. For the information of the readers, a rough comparison with the English cotton industry is given below⁽¹¹⁾:—

	Japanese	English
No. of Spindles	8 million	50 million ($\frac{1}{3}$ of the total spindles of the world)
Raw cotton consumed	2,760,000 bales	2,250,000 bales ⁽¹²⁾
Equipment	Mule, 4% ; Ring 96%.	Mule, 76% ; Ring, 24%.
Looms	300,000, a half of which are automatic.	650,000 of which only 30,000 are automatic.
Organization	A Japanese cotton mill is usually engaged not only in spinning, but also in weaving, finishing and so on. The recent tendency is that the same mill undertakes silk spinning, artificial silk manufacture,	A perfect division of labour is in force in England. Spinning, weaving, finishing, printing, are all carried on by separate establishments. Even packing constitutes a separate business. Not only in

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- (11) Based on a lecture entitled "*Comparison of the Japanese and the English Cotton Industries*" by Mr. Yoshihisa Shikamura as published by the Shinyo Chōsa Kōkyu Kwai, Tokyo, 1933.
- (12) The raw cotton consumed in Japan and England during one year ending on January 31, 1934 was 3,094,000 and 2,410,000 bales respectively according to the figures published by the International Association of Cotton Spinners.—*The Monthly Report of the Japan Cotton Spinners' Association*, No. 499, April, 1934.

34 THE SECRET OF JAPAN'S TRADE EXPANSION

	Japanese	English
	wool spinning, staple fibre making, etc.	manufacturing, but also in the collection and distribution of manufactured goods, the law of the division of labour is strictly applied.
	No middleman exists to receive commission.	Commission paid to middle-men is said to amount to 10%.
Unit of enterprise	71 establishments. Capital per house is 7,530,000 yen.	207 establishments. Capital per house is 2,530,000 yen.
	Have abundant reserve funds.	Much expansion was carried out by loans during the boom period of 1919-20. Many are hard pressed to pay rather a high rate of interest.
Control	The Japan Cotton Spinners' Association has a strong power of control.	The English counterpart of the Japan Cotton Spinners' Association has only a nominal power of control over its members.
Labour	Male operatives, 15%. The rest are girls who work to save marriage dowry or to support their parents. Labour is continuously being replaced by girls fresh from the country.	Male operatives, 35%. There are many workers whose parents were mill hands. Higher percentage of workers who are advanced in age and pay.
	Looms per head; ordinary looms—8; automatic, 30-40.	Looms per head is 6. Used to be 4. The trade union objects to the installation of automatic looms.

ing the fly of raw cotton (about 15%). In 1913, grosser counts occupied 80.6%, middle counts, 8.9%; and fine counts, 0.5%. In 1932, the percentage changed to; grosser counts, 59.8%, middle, 31.1%; fine, 1.6%. These figures would show that mechanical efficiency in the spinning section of the industry is encouraging on the whole.

Whereas the hours worked indicate an increase of 30%, the output of yarns rose by 80%. This fact alone would explain how mechanical and labour efficiency was heightened.

In the weaving section, very remarkable progress was made in mechanical efficiency. If the recent three years are compared with the initial three years (from 1913), the wastage of yarns decreased to one-third (0.87% in 1932). The fundamental cause for this may be ascribed to the adoption of Japanese automatic looms. Before and during the Great War, looms used by Japanese companies had all been imported. Stimulated by the stoppage of supply on account of the War, Japanese invented looms began to appear one after

prise in the Cotton Spinning and Weaving Industries in Japan" for June 1934. These objective and impartial studies contain many detailed analyses of the cotton statistics available in Japan. The author cannot help expressing the hope that these interesting studies will be translated into English or some other European language.

Thus the Japanese miner has been able to produce 45% more in less hours of work. Combined with other factors, such increase of efficiency on his part enabled his employer to reduce the cost of production by 60% during the past three years. The miner has consequently been rewarded by an increase in his wages. The index number of his wages for 1931 was 83. It stood at 91 in November, 1933. In December, 1934, it went up to 92, at which it stayed in January and February, 1934.⁽¹⁴⁾

(D) ARTIFICIAL SILK;

In 1933 Japan became the second largest rayon producer in the world, with an output of 80 million pounds. The Japanese artificial silk industry is only ten years old. But during this brief period, it has been able to add 100 million yen in value to the annual industrial produce of the Japanese Empire and absorb 30,000 workers in its factories. Such a new record has not been realised without untiring efforts on the part of the manufacturers. They reserved 60-70% of their profits for further improvement of technique, and have been able to cut down the cost

(14) These are the latest available figures from the *Monthly Statistical Report on Wages and Prices* by the Cabinet Bureau of Statistics, No. 105 (issue of May 31, 1934) p. 1, which covers up to February, 1934. Basis:—1927=100.

of production by more than 40% in the course of three years.⁽¹⁵⁾ The figures obtained by the courtesy of the Bank of Japan indicate that *kakōhi* or the cost of production excluding the cost of materials in the artificial silk industry decreased to 68 at the end of 1931 when Japan went of gold (Base; first half of 1929=100). In March, 1934, the index number was brought down to 48.

It must be noted here again that in the rayon industry, too, the reduction of costs is more due to improvement of technique and rationalization than to pressure upon wages. This is testified to by a comparison of the wage index in the rayon industry with the index of the cost of production. The index of nominal wages in March 1934 is 80 (first half of 1929 taken as the basis),⁽¹⁶⁾ whereas the index of the cost of production is 48 as stated above. In discussing wages, however, one should not overlook the fact that while the nominal wage index for November 1933 was 94.6, the real wage index increased to 119 (1929 as 100. For particulars see the chapter on Labour.)

(E) RAILWAY WORK SHOPS;

Steam locomotives used on Japanese railways are

(15) From a pamphlet entitled "*Views on the Question of Social Dumping*" by the Investigation Committee of Ways and Means of Industrial Peace, Tokyo March 1934. p. 14.

(16) By the courtesy of the Bank of Japan.

thoroughly overhauled every three years. 17 years ago, a complete overhaul used to take 30 days on an average. Nowadays the same work is being accomplished in five days.⁽¹⁷⁾

The most remarkable thing about it is that the work is done without increasing the number of workers. On the contrary, the labour required for this work has been reduced from 900 man days to less than 400 man days. Even America's mechanical skill is not able to perform a similar work in less than 14 days, while in England and Germany, it is said to take four weeks. Soviet Russia sent a staff of railway engineers to the Omiya Works of the Department of Railways for the completion of the Five Year Plan. After a few months stay at the town of Omiya, they returned to Russia, and, by copying the Japanese method, they were able to shorten by half the number of days necessary for a complete overhaul of a locomotive which used to take 45 days formerly. They could not proceed further, however. Being desirous of attaining the Japanese standard, the Government of the U.S.S.R. approached the Japanese authorities with a view to obtaining the personal assistance of the

(17) From an article entitled "*Improvement in the Management of Working Processes*" by the Committee on Production Management in the Government Bureau of Industrial Rationalization. pp. 50-52.

engineer-in-chief of the Omiya Works. Consequently, Chief Engineer Kato of the Omiya Works was despatched to Soviet Russia with a staff of assistants. Under the personal direction of Engineer Kato, the time was shortened to 7 days. But when the Japanese technicians left Russia, the Russians could not keep up this record. According to the latest information, 11 days are required now in Soviet Russia to overhaul a steam locomotive.

This speeding up in the Japanese railway workshops is unrivalled by any other country of the world. It was brought about by the combination of the characteristic skill of Japanese workmen and the progress of the Rationalization. The Omiya Works also excels in the overhaul of electric locomotives. In 1922, it took two weeks with 523 man days to overhaul one electric locomotive. In 1932, only 8 days with 283 man days were required, the costs showing a decrease of 57%. The increase in efficiency is not limited to locomotives alone. As shown in the following summarised table, it is shared by carriages and luggage vans as well⁽¹⁸⁾:—

(18) From the *Kōjō Yōran* (Outline of the Works) by the Ōmiya Works, Tōkyō Directorate of Railways, November 1933.

Table 6. Reduction in Time, Labour and Costs Required for the Overhaul of Locomotives, etc., at Omiya Works, Japan, 1922 and 1932.

		Time required Days	Man days required	Costs (in yen)		
				Labour	Material	Total
Steam locomotive	{ 1922.....	8.9	481	3,645	2,523	6,168
	{ 1932.....	5.4	392	3,868	2,046	5,914
Electric loco- motive ⁽¹⁹⁾	{ 1922.....	14.1	523	3,697	2,634	6,331
	{ 1932.....	8.1	283	2,574	1,043	3,617
Carriage	{ 1922.....	8.2	86	550	264	814
	{ 1932.....	6.0	50	464	150	614
Van	{ 1922.....	3.7	11.2	73	61	134
	{ 1932.....	17.6(hours)	7.7	78	41	119

The actual work of overhauling is conducted in accordance with the time table carefully prepared by specialists in efficiency. The time table is so arranged as to economise time and labour to the fullest possible extent. The following time table has been furnished by the courtesy of Mr. T. Kanesaka, Engineer-in-chief and manager of the Omiya Works, and is an exact representation of what is actually being done in that workshop.

TIME TABLE FOR THE OVERHAUL OF STEAM
LOCOMOTIVE (Ōmiya Works).

The 1st Day

7.00 a.m.; The locomotive arrives at the erecting shop.
7.10 a.m.; The smoke box washed with jets of water.
7.10 a.m.; The fire box washed with jets of water.

(19) Electric locomotives used on the Usui Pass.

- 8.00 a.m.; Stripping of the locomotive begins on the stripping track.
- 8.20 a.m.; The cab removed.
- 9.00 a.m.; The wheels removed, and greasy parts put into the soda bath.
- 9.20 a.m.; The axle boxes and springs dismantled from the removed wheels.
- 10.00 a.m.; The parts just taken out of the soda bath washed with water.
- 10.00 a.m.; The boiler dismantled from the frame.
- 10.30 a.m.; The removed boiler transferred to the boiler shop. One of the tracks on which the boiler rests has two air reservoirs. Compressed air accumulated in the reservoirs is led to a pneumatic motor which is attached to the truck, and, through some gears, drives the truck, enabling the boiler to move automatically.
- 11.30 a.m.; Washed parts inspected at the inspecting section. The inspector marks out the parts to be repaired or replaced.
- 1.30 p.m.; The boiler repair begins. The parts to be repaired drilled off and cut off.
- 2.00 p.m.; The smoke tubes taken off.

The 2nd Day

- 7.30 a.m.; The old brass taken off from the axle boxes

before they are sent to the foundry shop for the new brass dressing.

8.00 a.m.; Large smoke tubes put into the tube cleaner (boiler shop).

8.30 a.m.; The crank pin angles checked with a quartering machine.

10.00 a.m.; The inside fire box taken off.

4.00 p.m.; Stay holes threaded and the smoke tube beaded.

4.30 p.m.; The valve chest rebored.

The 3rd Day

8.30 a.m.; Deformation of the frame and the angle of the horn block checked.

9.00 a.m.; The injector tested.

12.00 a.m.; The smoke tube end beaded.

3.00 p.m.; The piston rod centered.

4.00 p.m.; The hydraulic pressure of the boiler tested.

4.30 p.m.; The boiler transferred to the erecting shop after the completion of the repair.

4.30 p.m.; The valve gear repaired—the eccentric sheave finished by hand.

The 4th Day

9.00 a.m.; Finishing of the rod; the rod brass fixed.

9.00 a.m.; The ash-pan fixed in the erecting shop.

10.00 a.m.; In the air brake shop, inspection, repair and test are carried out.

10.00 a.m.; The boiler mounted on the frame.

12.00 a.m.; The tender repaired in the tender repair shop.

1.30 p.m.; The wheels are now ready for wheeling.

2.30 p.m.; Wheeling.

3.00 p.m.; Wheeling completed.

4.30 p.m.; Assembling the minor parts.

The 5th Day

11.00 a.m.; Valve setting.

1.00 p.m.; The locomotive undergoes a trial run in the works yards.

(F) CHINAWARE;

The actual figures obtained by courtesy of a certain porcelain factory show that the company manufactured 2,500 varieties of chinaware in 1920. By reducing them to 1,700 in 1928, and to 950 in 1933, the company was able to make a considerable cut in the cost of production. Thanks to the improvement of technique and methods of working, and the increased skill of the workers, the company further succeeded in minimising the percentage of wastage. Thus in 1905 when the company started its business with equipment imported from Germany, the percentage of

chinaware which came out from the oven in a perfect condition was seldom over 67%. This gradually improved to 86% in 1928. In 1933, the highest record of 93% was achieved, which is perhaps unequalled by any pottery works of the world. The costs were therefore reduced 12% on this account alone compared with 1928.

The company also accomplished considerable increase in efficiency by replacing the small group system of working with a greater one and by the use of conveyors. Thus in that section where various decorative designs are printed by hand on crockery, the ratio of work done increased from 100 in 1920 to 130 in 1928 and 185 in 1933. Under the customary methods, the time devoted to the direct act of producing pottery roughly equalled the time required for preparation therefor such as, placing dishes on the work table, drying or carrying them about, etc. Under the new method, the time thus lost in the indirect acts of production is largely saved, and breakage which used to accompany carrying has been eliminated altogether.

(3) SUPERIOR NATURE OF JAPANESE LABOUR AND WORKMANSHIP

In these pages, an attempt is made to show how progressive the Japanese industrialist is in the matter

of rationalization. He is not proud of his machine because it has given him so many years of constant service. He does not hesitate to discard it the moment he finds a better one. With him the test is efficiency, not durability. But no matter how progressive he may be and eager to install better machines, his desires will not be fulfilled if the worker he employs is apathetic or antagonistic to the proposed innovation. In England the mill owners cannot replace ordinary looms with the automatic on account of the opposition of the trade union. Further, a new machine will be rendered valueless if the worker is not capable of using it. In this respect, the Japanese employer should be congratulated on having one of the best types of worker in the world. The Japanese worker was very aptly described to a newspaper reporter by M. Fernand Maurette, Assistant-Director of the International Labour Office, Geneva, after a tour of inspection of a number of factories in Japan in April 1934. He said that the Japanese worker is "the most valuable capital in the Japanese nation."⁽²⁰⁾

Seen from a different angle, what has been discussed under "Increase of Efficiency and Reduction of Costs" is nothing but an eloquent testimony to the excellent nature of Japanese labour. At least a half

(20) *The Japan Advertiser*, April 21, 1934.

of credit for the Rationalization in Japan must go to it. Those who considered that Japan specialised in "Woolworths" and could not produce quality goods overlooked the fact that she had been the producer of the finest articles of industrial art, such as weapons, furniture, tissues, etc. In all likelihood, they never saw anything but cheap stuff, and did not know that Japanese goods ranged from A to Z in quality and price.

Look at the Japanese made battleship *Mutsu* or *Nagato*. Look at the cruiser *Chokai* or *Maya* which was made in Japan. Are they "Woolworths?" Look at the merchantmen that fly the flag of the Rising Sun on the seven seas of the world. They are Japanese made, too. Any one who has travelled in Japan knows well how exact Japanese trains are in arrival and departure. All the locomotives and carriages on Japanese railways are manufactured in Japan. As for the lighter articles of daily consumption, one can easily see them anywhere in the world. If you want to see good quality goods, all you have to do is just to ask for them.

In April 1934, the author saw large placards on the walls of a certain silk filature near Tokyo. They said "Produce Better Articles Cheaper." It was the motto of the filature, as a matter of fact. It is, however, not the motto of this single factory alone. All

the manufacturers in Japan strive to that end. It is indeed the successful realisation of this motto that has earned for Japan the unenviable title of "menace" of the world.

(4) CHARACTERISTICS OF THE JAPANESE WORKMAN

"Japanese labour organization and rationalization in factories are impressive, but still more impressive, I have found, are the Japanese workers. Active, enthusiastic, happy and efficient, they are very intelligent people, and I consider them to be the most valuable capital in the Japanese nation."

—Mr. F. Maurette, Assistant Director of the International Labour Office, Geneva, as reported in the *Japan Advertiser*, April 21, 1934.

In considering the Japanese conditions of labour, it is important to understand the characteristics of the Japanese labourer. While some of these characteristics may be shared by his brother workers in other countries, it is undeniable that they constitute an important forte of Japanese industry.

BEING INDUSTRIOUS;

In Japan, industry and frugality have been considered virtues from time immemorial. The Japanese are diligent in work and frugal in habit by nature and culture. In the West, labour aims at working the shortest possible hours, doing the minimum amount of

work in these hours, and getting the highest possible wages for the combination of these two conditions. High conditions of labour mean those which are the nearest these ideals. Human nature likes them, it is true. But it is also human nature that is fond of working, although it dislikes overwork.

In Japan, he who performs many pieces of good work in a short time is praised rather than criticised. On the other hand, he who boasts of doing less work than he is actually capable of doing is always looked down upon as an idle person. Nobody ever praises him for being lazy. At present a Japanese girl worker in cotton mills attends to 8 looms (30-40 in the case of automatic looms) on an average. If she refused, as her English sister has done, to look after more than 6 looms notwithstanding her ability to do more, Japanese morals would unhesitatingly brand her lazy bones. This industrious nature of the Japanese worker is sometimes taken for docility by foreigners. Japanese domestics are very popular in European and American households because they are industrious.

BEING COMPETITIVE;

The Japanese worker is a keen competitor. He likes competition. As a member of a factory, he vies with others of the same factory in producing better goods in a shorter time. His energies are directed

towards making his factory A1 among the factories of the same company. He strives to make his company beat its rivals. As a member of the nation, he would be sorry if Japan were left behind in world competition in industry.

The author once saw a pair of votive stone lanterns dedicated to the tutelary gods of a certain silk filature.⁽²¹⁾ On one of these lanterns were engraved the characters, "On the Occasion of the Fulfilment of Prayers for Producing Articles of Superior Marks." The other simply bore the date of "The Propitious Day of May 1933." The explanation the author got was that early in 1933, the girls of this filature (one of about 50 controlled by the same company) resolved that they would produce silk yarn of the highest quality within that year. Every morning and evening, the girls came to the shrine of the tutelary gods in a corner of the mill compounds to pray that their vows might be fulfilled. The prayers were soon granted. The filature was numbered among the few that could turn out the yarn of that specific quality. In gratitude for this, the girls collected money from among themselves and had these lanterns erected for the benefit

(21) In Japan, every family and village have their own tutelary gods. There would be very few factories which do not house them. Miniature shrines are also seen on the roofs of high buildings in modern cities. (See photograph No. 4).

of those who might come to the shrine when it is dark. The lanterns are therefore lights in the dark literally and figuratively.

You may call it an emulative spirit. But no matter what name you may give it, it permeates the Japanese people from chairman of a company and factory manager down to apprentice. The employer usually takes advantage of this national trait and encourages his workmen by distributing prizes to those who have produced better articles or by holding inter-factory matches of various nature. Competitions are frequently held not only in private factories, but also in government offices such as the post office, postal savings bank office, etc. Speaking about prizes reminds the author of the story which he often heard while in foreign countries that in Japanese silk filatures, the amount of fines was so heavy that in many cases it exceeded the worker's earnings. No fine is imposed in the Japanese filatures.

BEING STUDIOUS;

Aspiration is another characteristic of the Japanese worker. A common workman is not content with so remaining. He aspires to foremanship, engineership and so on. His desire for learning is not limited to the specific field of his job. He is always after the knowledge of science, politics, and literature. Encour-

aged by the employer, the aspiration or ambition of the Japanese workman contributes in no small degree to the development of Japanese industry.

To give a few examples. Pigments used in pottery works require stirring up every now and then to prevent their being deposited. They used to stir them up by hand as occasion required until a workman contrived a device whereby the motive power available in his room was made use of and the bowls containing the pigments are constantly stirred up by means of a small disk.

Among the 2,000 employees of the Omiya Works of the Department of Railways, there are about 50-60 people every year who receive rewards for useful inventions or improvements. This works has the following committees composed entirely of workmen⁽²²⁾ :—

Names	Objects	Meetings
Mutual Enlightenment Committee.	Improvement of work in general; increase in efficiency.	Monthly.
Economy Committee.	Economy in materials, stationery, Rational use of materials, Use of by-products and idle stock.	Bi-monthly.
Safety Committee.	Industrial Safety.	Monthly.
Works Committee.	Improvement in working methods and tools and machinery.	Monthly.

(22) From the "*Outline of the Works*," Ōmiya Works, 1933.

54 THE SECRET OF JAPAN'S TRADE EXPANSION

Names	Objects	Meetings
Process Committee.	Time table and manner of work.	Monthly.
Locomotive Committee.	Construction and repairs of locomotives, carriages, etc., rationalization in the method of repair.	Monthly.
Carriage and Van Committee.		
Electricity Committee.		
Locomotive Overhaul Processes Committee.		Monthly.

These committees are more or less study groups inside the workshop. In addition to these, there are separate groups outside the workshop which have held over 60 meetings to discuss the merits of proposed improvements, etc. The workshop is therefore a place where they earn their daily bread on the one hand, while on the other, it is a laboratory to these studious workmen. These off duty studies are of course conducted under the assistance and direction of superior officers. But if the workers were not so minded, the meetings would not have been organised at all even under orders.

BEING DEXTEROUS;

The dexterity of the Japanese workman is well known. The British Commercial Counsellor in Tokyo describes the Japanese as "a deft-fingered people who have been unrivalled craftsmen for centuries."⁽²³⁾ In

(23) *Economic Conditions in Japan*, p. 22.

this age of mass production, the race of craftsmen is fast dying out in all large industrial countries. Fortunately, however, there is no dearth of craftsmanship in Japan. There are still many workers who enjoy pieces of good work done by their own hands.

Japanese deftness of fingers explains the reason why Chinese silk cannot compete with Japan silk notwithstanding the lower wages prevailing in that country. The Chinese are not so deft-fingered as the Japanese and cannot produce silk as fine as Japanese silk.

LOVE OF NATURE;

The Japanese love of nature may be called one of the national traits. This may appear to have nothing to do with industry. But in fact it exercises a considerable influence on the workers' efficiency. Every factory plants flowers and trees to satisfy the workers' love of nature. They often go on a pilgrimage to distant temples or shrines, climb up mountains just to enjoy a plunge in a hot spring, etc. Any one who comes to Japan will immediately notice this characteristic of the Japanese worker. Most factories or industrial undertakings issue factory newspapers or periodicals. A page or two are devoted to contributions of poetry from the workers with the usual editor's apology for not being able to print many good poems received from the readers.

Chapter V

CONDITIONS OF LABOUR IN JAPAN

(1) GENERAL OUTLOOK

SUPPORTERS of the theory of "social dumping" allege that Japan is enabled to "dump" her merchandise overseas on account of the exploitation of her inferior conditions of labour. Even "slavery conditions" of labour are frequently mentioned, not to speak of "sweating shop". They say that cheap Japanese goods will inevitably lower working conditions and the standard of living in civilised countries. To quote the Federation of British Industries again, "unless rice is made equivalent to beef, the beef standard will cease to exist so far as many industries are concerned."⁽¹⁾ From this Japanese goods are made out to be a common enemy of humanity. Appeal is made to the man in the street. Even outcries of "New Yellow Peril" are heard from some corners of the world.

There are evidently two categories of people who

(1) *The Menace of Japanese Competition*, London, 1933.

accuse Japan of "social dumping." One contains those who, being ignorant of the facts, really believe so. The other is composed of those who prefer to ignore the facts for motives of self-interest. Whether uttered in good faith or not, it is widely resented in Japan by capital and labour alike, and rightly so. For, of all the charges of "unfair competition" directed against Japan, this one is the most unfair of all, involving, as it does, the moral character of the whole Japanese people. Japanese labour is not always on the best of terms with capital, yet it raises a voice in protest against this charge. Its representative at the 18th Session of the International Labour Conference at Geneva is reported to have instructions to side with the Japanese employers' representative if the question is brought up at the conference.

Working conditions in any country are determined by a combination of factors including population, area, natural resources, industrial development, social system and custom. The adoption in disregard of these factors of the same conditions of labour throughout the world is an impossibility just as a man without resources cannot hope to live like a millionaire. The money wage alone does not govern the happiness of workers. The question is; how far can the worker satisfy his wants with the wages he earns? Again, it cannot be said that the workers in one country lead a

lower life than those of the other country simply because the former dispense with what the latter regard as necessities. It is quite natural that one nation should have a different mode of life from others which have different climates, customs, tastes, etc. If it has adopted a particular mode of living to its liking, there is no reason why the others should condemn it.

It is true that there remains much to be desired in the betterment of working conditions in Japan. Yet they have so advanced with the development of industry that, taking 1913 as the basis, the money wage index for all Japan had risen to 242 and the real wage index to 142 in April 1934.⁽²⁾ The money wage index for Tokyo alone is as high as 270. Is there any country elsewhere which has shown such a remarkable improvement in wages as this? The present conditions of labour in Japan are better than those of any countries of Asia and are not excelled by some countries of Europe. Even where they appear lower on a casual view, the seeming inferiority is sufficiently made up by the fact that workers here enjoy a life which is comparatively higher than that of other classes of their countrymen. It is further compensated for by that feeling of fellowship existing between employer and employed—a sentiment which cannot be seen in any

(2) Figures of the *Asahi Shimbun*. For particulars and comparison with England and America, see Chap. V, Section 4.

other countries of the world. The typical and tangible expression of this spirit of the Family system is the welfare institutions to which so much importance is attached in Japanese industrial circles.

Foreign observers who have seen recent conditions of labour in Japan are almost unanimous in dispelling the exaggerated rumours current in foreign countries. To cite an instance or two. Sir Harry McGowan, Chairman of Imperial Chemical Industries, Limited, of Great Britain, is reported to have remarked that "national habits and needs were different in Japan from those of a Western country, and a mere monetary comparison of wage rates was therefore almost meaningless." In going through Japanese factories, he "found no outward signs of malnutrition, of lack of physical energy or of discontented people."⁽³⁾

The *Round Table* says⁽⁴⁾:—

"As for the conditions of Japanese labour, opinions differ, but it would certainly be most difficult to prove that it is either sweated or oppressed. Japanese workpeople suffer from the abuses common to all industrial societies, but if it were possible to measure contentment or satisfaction it would certainly be found that, relatively to the standard of living prevalent

(3) *The Economist*, London, Feb. 3, 1934. p. 229.

(4) *Japan's Bid for World Trade, Round Table*, December 1933. pp. 35-36.

throughout Japan, they are as well off as their fellow workpeople in most other countries. There has been a good deal of foolish talk about the "low" standards of living in Japan. It is true to say that the Japanese, of nearly all classes, have a very simple standard, which requires few material possessions, and can be maintained on an inexpensive diet; but it does not follow that they are not enjoying a civilised, or indeed an elegant, mode of existence. It is our Western habits to look upon a multiplicity of *things* as the measure of happiness, but so far the Japanese have managed to retain a good deal of that traditional good taste which enables them to combine simplicity and happiness. Any unprejudiced observer has to admit that workers in Japan seem to be fully as healthy and happy, as clean and self-respecting, as workers elsewhere."

The Japanese worker will be the last man to endure oppressive or unjustified conditions. Thanks to compulsory education, every worker in Japan is literate. He can discern the unreasonable. He has the spirit to rise in revolt against any oppressive measures of the capitalist. There can be no grosser misrepresentation than saying that the Japanese worker works under "slavery" conditions.

Before proceeding to describe the conditions of labour in Japan—hours, rest day, wages, welfare work,

—the author wishes to direct the attention of readers to a few factors peculiar to Japan,—peculiarities which must not be lost sight of in any consideration of Japanese working conditions.

(2) SPECIAL FACTORS IN JAPANESE CONDITIONS OF LABOUR

“Conditions of labour do not differ only in respect of hours worked or wages earned, and they cannot always be statistically represented.

This is particularly true of the countries of Asia. In each of these countries conditions of labour have become what they are now as a result of age-long customs and traditions

Only by attempting to describe and interpret the inter-relation of industrial conditions as they exist now in these countries with the social customs and traditions that have grown up through centuries will it be possible to give an adequate picture of living and working conditions in the countries of Asia.”

—*Report of the Director, First Part, pp. 448, 449.*
International Labour Conference, Eighth
Session, Geneva, 1926.

1. POPULATION AND RESOURCES;

In comparing Japanese conditions of labour with those of other countries, the first point which must be taken into account is the relation between population and natural resources.

Japan, small in territory and poor in resources, has a further disadvantage in that its country is very mountainous, arable land being only 15% of the whole

area, while the density of population on arable land is the highest in the world.

Table 7. Population on Arable Land per Square Mile in Various Countries.⁽⁵⁾

Japan	2,774	Germany	806
Great Britain	2,170	France	467
Belgium	1,709	U.S.A.	229
Italy	819		

A half of this population live on agriculture, with the result that "due to a highly concentrated population on agricultural land, the individual holdings are exceptionably small, 35% of the farmers tilling less than one acre and 34% less than two and half acres. The expansion limit of tillable land has been reached, as has also the limit of cultivation intensity—in short, *the soil of Japan cannot be expected to produce much more than it does to-day, nor can it provide much additional employment.* Moreover, as a result of intensive cultivation and the widespread use of fertilisers the cost of production is high. The price of land is far higher than in any other part of Asia, and even in the most overcrowded parts of Europe."

From time immemorial, agriculture has been regarded in Japan as the foundation of the State. The

⁽⁵⁾ *The Report of the Commission of Enquiry of the League of Nations into the Sino-Japanese Dispute*, Geneva, 1932. From Chapter 7. (italics are the author's).

Japanese by nature have strong attachment for the land. They do not like to forsake the country for the town. But the land of Japan has reached the saturation point; it cannot sustain more population. Most farmers and peasants are unable to make both ends meet no matter how hard they work. As the following table shows, their earned income is below actual expenditure, while in the case of factory workers, earned income is more than sufficient to meet actual expenditure:—

Table 8. Comparison of Monthly Average Incomes and Outgoings of Farmers and Factory Labourers in Japan.(6)

	Farmer	Factory workers
Earned income per household;	¥ 72.62	¥ 95.59
Actual Expenditure per household; ...	¥ 96.39	¥ 94.64
Ditto, per head of household;	¥ 16.88	¥ 23.03
Average number of persons per household;	5.71 men	4.10 men
Of which those having employment are;	3.12 men	1.23 men
And those without employment are;...	2.59 men	2.89 men

The hardships of farmers have become further intensified by the fall in the price of agricultural products owing to the universal depression. Rice and silk cocoons constitute the most important items of produce with Japanese farmers. The Government is therefore making unceasing efforts towards maintain-

(6) *Rōdō Tōkei Jitchi Chōsa Hōkoku.*

ing the price of rice and cocoons. But so far it has not been able to attain its object. Due to the depression in the United States where the bulk of Japanese raw silk goes and to the remarkable development of the artificial silk industry, the price of cocoons has kept following a downhill course for the past several years. Under such circumstances, it is quite natural that farmers should desire to become factory hands. Thus, in spite of the Government endeavours for the prosperity of rural districts, the town thrives while the village is fast heading for bankruptcy. The following table illustrates the movement in the distribution of population in towns with over 5,000 inhabitants and villages with less than 5,000 inhabitants:—

Table 9. Town and Village per 1,000 of Population in Japan,⁽⁷⁾ 1898-1925.

	Villages with less than 5,000 inhabitants	Towns with inhabi- tants over 5,000
1898.....	671.6	328.4
1903.....	616.0	384.0
1908.....	543.2	456.8
1913.....	504.4	495.6
1918.....	466.0	534.0
1920.....	484.3	515.7
1925.....	442.1	557.8

But even to-day, farmers and peasants occupy 48%

(7) Village, town and city are three sub-units of local government in Japan proper. There were, in April, 1931, 109 cities, 1,706 towns and 9,986 villages.

of the total population of Japan, against which industry and commerce claim 19% and 13% respectively. It will therefore be seen that the most powerful factor in the determination of Japanese wages is the conditions in agricultural districts. In other words, the national wage level in Japan cannot be raised without first solving the population problem. It is unreasonable to criticise "low wages" in Japan and shut the eyes to this question of surplus population. Japan has either to relieve the over-density of her population by emigration or to solve the question by further industrialisation.

Seen in these lights, factory wages in Japan are not unjustifiably low. The factory hands are better off than farmers. Their wages compare favorably with the pay of brain workers, too. For instance, in many cases they get more than primary school teachers. The average monthly salary of the Japanese primary school teachers is ¥62, the highest being ¥215 (figures for 1931). Compare this with the following:—

Table 10. Average Daily Wages in Certain Industries of Japan (in yen).

Industry	General average	Average for Men	Average for Women
Metal.....	3.03	3.18	1.20
Machine & tools.....	2.65	2.80	1.20
Shipbuilding.....	2.75	2.77	1.12

Note.—Figures are for January, 1934, and were taken from the Monthly Statistical Report of Wages and Prices by the Cabinet Bureau of Statistics.

The wages of factory workers are closely related to the income of other members of society. It is impossible, and is also against social justice, that they alone should receive better remuneration than others.

2. DIFFERENCE IN THE MODE OF LIVING;

See Chapter VI.

3. SHORT DURATION OF EMPLOYMENT;

As Japanese industry is comparatively young, the percentage of workers who are advanced in age is much smaller than in older industrial countries. The duration of employment is also short. About half the number of the factory workers in Japan are females, most of whom work two or three years before marriage in order to save their marriage dowry or to help their parents. This shortens the average length of service of Japanese workers and proportionately lowers the average figures of earnings. As is shown in the following table, 71.6% of the female industrial workers in Japan are those whose duration of employment does not exceed 5 years.

Table 11. Duration of Employment of Factory Workers in Japan (by percentage).⁽⁸⁾

Employed under	All industries			Textile industries		
	Male	Female	Total	Male	Female	Total
5 years.....	41.0	71.6	57.5	56.2	71.9	69.1
under 1 year	10.9	18.5	15.0	16.1	18.0	17.8

(8) *Rōjō Tōkei Jitchi Chōsa Hōkoku* (Census of Labour) 1927.

	All industries			Textile industries		
	Male	Female	Total	Male	Female	Total
1-2 years.....	8.7	17.7	13.6	12.9	18.0	17.0
2-3 years.....	7.6	14.8	11.5	10.9	15.2	14.4
3-4 years.....	7.9	11.9	10.0	9.3	11.9	11.4
4-5 years.....	5.9	8.7	7.4	7.0	8.8	8.5
5-9 years.....	25.8	21.3	23.4	24.8	21.3	22.0
10-14 years.....	14.8	4.4	9.1	10.0	4.2	5.3
15-19 years.....	7.9	1.3	4.3	4.6	1.1	1.8
20-39 years.....	9.5	0.8	4.8	3.8	0.7	1.3
Over 40 years.....	0.2	0.0	0.1	0.1	0.0	0.0
Unknown.....	0.8	0.6	0.8	0.5	0.8	0.5

4. FAMILY SYSTEM AND WELFARE WORK;

The Family System in Japan is as old as history. Although there are signs of disintegration on account of the influence of Western thought and change in economic structure, it is still a very powerful factor governing social conditions in Japan. Thus in the relation of capital and labour, the spirit of the Family System is embodied in welfare work and payments of a benevolent nature such as bonuses (see Chapter VI, Section 5 for particulars). The Family system is also responsible for relieving unemployment. Nearly 40% of discharged workers "return to agriculture," which means that the agricultural family from which they originally went into the factory receive them back when they are discharged. It must not be overlooked that this on the other hand means an added difficulty in the rural districts.

Table 12. Destiny of Discharged Factory Workers
in Japan (in percentage) 1930-1932.⁽⁹⁾

	1932	1931	1930
Total Number discharged.....	100.0	100.0	100.0
Found employment in other factories in the same kind of industry	15.4	12.0	13.7
Found employment in another kind of industry.....	5.9	4.5	8.0
Returned to agriculture.....	44.6	43.3	39.0
Found employment, not otherwise mentioned	12.0	16.3	14.0
Still without employment	8.9	12.3	10.7

5. MISTAKE OF CONVERTING JAPANESE WAGES AT
CURRENT EXCHANGE RATES;

Many foreigners compare wages in Japan by converting them into foreign currency at current exchange rates. This method is best suited to those who want to show how cheaply the Japanese work. But it disregards the most important point in wages comparison—the purchasing power of wages,—for it ignores the *internal* value of the yen.

Since Japan's departure from the gold standard, there has been considerable rise in the price of commodities for export, but merchandise for internal consumption has not shown much appreciation in price. As articles which the worker needs are mostly internal commodities, his wages on the whole have almost the same purchasing power as before. The general aver-

(9) From the 1933 edition of the *Rōjō Tōkei Yoran*, p. 243.

ages of Japanese wages have not shown much increase on account of agricultural depression and the influx of many unskilled labourers into certain industries. But the increment is more remarkable in the following industries:—

Table 13. Index Number of Wages in Certain Industries of Japan.⁽¹⁰⁾

Year	Machinery	Ship-building	Vehicle	Tool and instrument	Metal work
1931	89.4	85.6	85.0	86.1	93.7
1932	96.3	90.6	85.9	87.8	94.2
1933	100.6	97.1	89.5	89.3	96.3
1934, Jan.	94.0	95.8	87.4	84.2	92.9
„ Feb.	98.2	101.1	90.2	87.0	99.3

6. INTENSIFICATION OF LABOUR AND SEASONAL LABOUR;

In Japan there are many small factories which are still in the stage of domestic industry. In these factories, labour is less intensified than in larger factories. Workers there often indulge in idle talk while at work and rest at irregular intervals. Consequently working hours in these small factories are long in appearance, tending to lengthen the average working hours of Japanese factories in general. It is not therefore proper to compare these working hours with those of Europe and America where labour is far more intensified.

In silk reeling, which is an important industry in

(10) *Statistics of Factory Labour*, Bank of Japan. Basis; 1925—100.

Japan, labour is seasonal, that is to say, at some times of the year in the cocoon season, the silk reeling business becomes very busy, necessitating long hours and less days for rest, while at other times, it is less occupied, meaning shorter hours and more days for rest. In considering working hours and rest days in Japan, this point must not be overlooked.

(3) WORKING HOURS AND REST DAYS

HOURS OF WORK;

There are 1,750,000 workers in the Japanese factories employing more than five labourers. On an average, their actual working hours are 9 since 1930.

In the cotton spinning industry the actual working hours were reduced to 8.30 in July 1930, while in the silk filatures they were shortened to 10 in the same year.

82% of the operatives in the textile industry are female. In factories where the day shift only is worked, the usual hours are 9. There are many factories which practise the 8 hour day.⁽¹¹⁾

Of 200,000 labourers in the mines, the maximum hours are laid down at 10 in the pit. The actual working hours are seldom over 8, however. The average actual working hours of 520,000 transport workers were 8.37 in November, 1933.⁽¹²⁾

(11) From the *Rōdō Tōkei Jichū Chōsa*, 1927.

The following table showing the actual working hours of factory labour in Japan was taken from the 1933 edition of the *Rodo Tokei Yoran* (Statistics on Labour) and the *Chingin Bukka Tokei Geppo* (Monthly Statistical Report of Wages and Prices) by the Cabinet Bureau of Statistics:—

Table 14. Actual Working Hours in Various Industries of Japan, 1927-1933.

(in hours and minutes)

Factories	1927	1928	1929	1930	1931	1932	1933
Average	9.24	9.21	9.16	9.08	9.05	9.06	9.13
Ceramics.....	8.49	8.53	8.55	8.46	8.36	8.38	8.56
Metal	9.02	9.03	8.59	8.55	8.48	8.52	9.04
Machine & tool ...	9.07	9.09	9.03	9.00	8.58	9.09	9.23
Shipbuilding	8.47	8.53	8.52	8.53	8.39	8.38	8.40
Chemicals	9.15	9.09	9.03	9.01	8.58	9.03	9.06
Textile(12)	10.04	10.05	9.50	9.32	9.23	9.27	9.33
Clothing	9.02	9.03	9.11	9.03	9.04	9.08	9.10
Paper & Printing...	9.23	9.31	9.31	9.27	9.26	9.28	9.25
Leather, bone	8.42	8.43	8.45	8.42	8.43	8.39	8.16
Wood & Bamboo...	9.03	9.15	9.13	9.08	9.08	9.02	8.58
Food & drink	9.04	9.03	8.58	8.57	8.57	9.00	9.00
Construction	8.07	9.08	9.05	9.31	9.51	9.23	—
Gas, electricity, water	8.43	8.39	8.37	8.39	8.47	8.50	9.00
Others.....	9.12	9.01	8.51	8.36	8.47	8.52	8.47

(12) Include silk filatures where the working hours are ten and cotton spinning mills where the 8.30 hour is practised, and also cotton weaving establishments which are for the most part on a far smaller scale than spinning mills (The figures for 1930 are 9.35). In such small factories, however, labour is not so much intensified as in larger factories (See page 63—*Intensification of Labour and Seasonal Labour*).

REST DAYS;

As regards days for rest, the law prescribes two days in one month for female and juvenile workers (under sixteen) in factories and mines. No legal provision is made for adult male workers. But in practice, the weekly rest is given in larger factories and factories which carry on working all the year round, employing adult male workers. Two rest days in a month is, however, the rule in factories employing female workers principally, factories on a small scale and factories where the amount of business done varies according to the season.⁽¹³⁾

According to the *Rodo Tokei Jitchi Chosa* (census of labour) conducted in 1927, the weekly rest system obtains in factories amounting to 18% of the total in respect of the number of factories and 43% in respect of the number of workers. If the textile industry is excluded, 24% of factories involving 60% of workers have the weekly rest. Four rest days in a month are granted also in the cotton mills at present.

In the mining industry, the weekly rest is adopted in practically all coal mines which form the majority of mines in Japan. Larger metal mines have the

(13) From a pamphlet entitled "*On the Obstacles Placed by Various Countries in the Way of Japanese Export Trade and the Amelioration of Labour Conditions in Japan.*" by the Shakai Rippō Kyōkai (Society for Social Legislation), Feb. 1934, p. 19.

weekly rest system, too. According to the *Statistics of Factory Labour* prepared by the Bank of Japan, the average number of days worked during November 1933 are as follows:

Days Worked in November, 1933.

The average of 3,574 factories	27.3
The average of 150 mines	26.8
The average of 168 government factories	25.3

(4) WAGES AND COST OF LIVING

"I replied that according to my first impression, and as regards the undertakings which I had visited and concerning which I had information, there did not appear to be a great and widespread inferiority (of wages) if account were taken of the very low cost of living in Japan owing to the depreciation of the yen."

—Mr. Fernand Maurette, Assistant Director of
the International Labour Office. (See Appen-
dix for a full text).

NOMINAL WAGES;

The nominal wage index in Japan is much higher than those of the following countries:—

Table 15. Money Wage Indexes (Base; 1914=100)
in Various Countries, 1929-1934.

Year	Japan		Great Britain (16)	U.S.A. (17)	Canada (18)	Aust- ralia (19)
	Tokyo (14)	Japan (15)				
1929.....	321.6	298.9	193.7	236.9	188	194
1930.....	291.7	274.0	191.6	240.0	188	189

(14) Annual averages in Tokyo. Source; The Tokyo Chamber of Commerce and Industry.

Year	Japan		Great Britain (16)	U.S.A. (17)	Canada (18)	Australia (19)
	Tokyo (14)	Japan (15)				
1931.....	271.4	246.7	189.3	239.1	183	173
1932.....	257.9	235.4	185.8	208.9	174	163
1933.....	272.8	236.9	183.4	—	—	158
1934, Jan.	270.2	235.7	183.3	—	—	—
„ Feb.	269.3	237.4	183.3	—	—	—
„ Mar.	277.6	237.4	183.3	—	—	—

As for the actual wages, the Director of the International Labour Office, Geneva, shows in his annual report that "Japanese wages in 1931 were almost equivalent in gold value to those of Italy and Poland."⁽²⁰⁾

COST-OF-LIVING AND REAL WAGES;

Discussing the real wages in Japan, *Industrial Labour in Japan* shows that they increased 49.9% at the end of 1930 compared with 1926.⁽²¹⁾ It further says that "the real wages index has shown a steady ten-

(15) Annual averages in 13 principal cities including Tokyo. Source; The Department of Commerce and Industry.

(16) Annual averages based on 20 kinds of occupation. Source; The London and Cambridge Economic Service.

(17) Trade Union Rates based on the scale prevailing on March 15, every year. Source; the Monthly Labour Review.

(18) Annual figures; averages. Base; 1913=100. Industries only, skilled and unskilled men. Source; International Labour Review, Feb. 1934.

(19) Annual figures in mines, industries, public services, commerce, various. Men (skilled and unskilled) only. Source; International Labour Review, Feb. 1934.

(20) *Report of the Director*, Eighteenth Session, Geneva, 1934. p. 18.

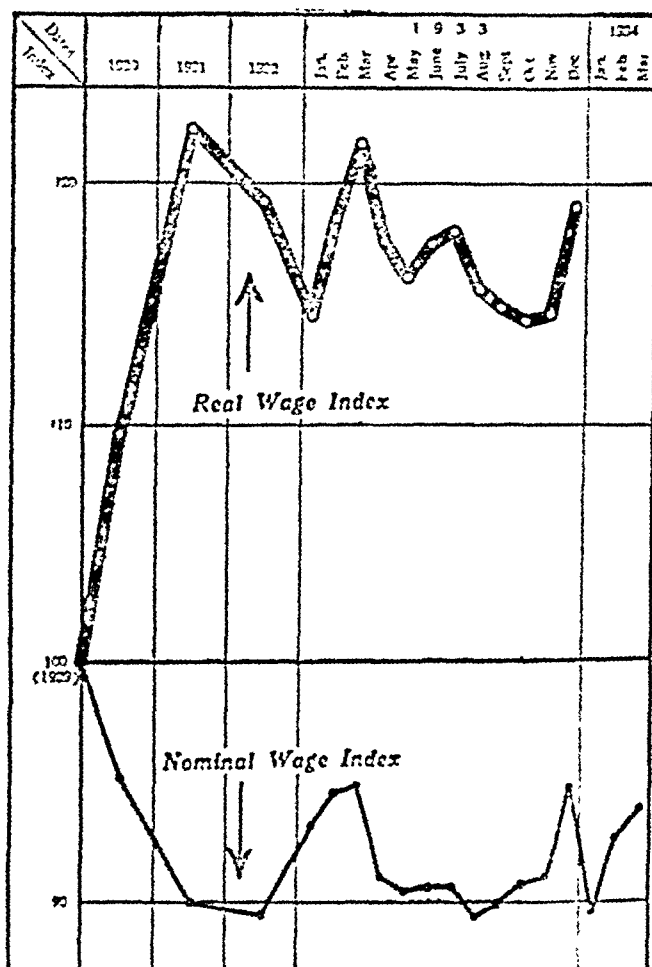
(21) *Industrial Labour in Japan*. p. 209.

dency to rise during the entire period from 1926 to 1930 it may serve to suggest the fact that the standard of living of the Japanese workers is being raised by the gradual rise in real wages."⁽²²⁾

The *Industrial Labour in Japan* contains the cost-of-living index and the real wage index up to February 1931. In order to follow the movement of these figures after February 1931, the author had them worked out by the courtesy of Mr. Hisashi Hayashi, Assistant Statistician of the Cabinet Bureau of Statistics. The materials and the method of computation used are the same as those employed by the International Labour Office for the *Industrial Labour in Japan*.

(22) *Ibid.* p. 210.

A Chart Showing Nominal Wage Index and Real Wage Index in Tokyo, 1929-1934. (Basis: 1929=100)



Sources: See Table 16 for particulars.

Nominal Wage Index Numbers are the same as those which were used for the computation of the real wage index numbers. The Bank of Japan; *Statistics of Factory Labour*. Indexes of earnings for the Tokyo-Yokohama district. Original base year: 1925.

Table 16. Index Numbers of Cost of Living and Real Wages in Tokyo
prepared by Mr. H. Hayashi, Asst. Statistician, Cabinet
Bureau of Statistics, (1929 to March 1934).

Year	Food		Clothing		Fuel		Miscellaneous		Average		Index number of nomi- nal wages	Index number of real wages
	Unwei- ghted	wei- ghted	Unwei- ghted	wei- ghted	Unwei- ghted	wei- ghted	Unwei- ghted	wei- ghted	Unwei- ghted	wei- ghted		
1929.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930.....	89.0	88.0	83.1	81.4	85.8	85.8	94.3	93.3	88.3	87.3	95.5	109.6
1931.....	78.0	75.4	70.9	68.3	75.2	75.2	83.4	78.8	76.6	74.0	90.2	122.1
1932.....	78.0	80.1	70.3	67.6	65.4	65.4	79.9	73.7	62.9	75.1	89.5	119.2
1933:												
Jan. ...	81.5	86.4	79.7	77.2	72.8	72.8	85.5	73.7	79.3	81.2	93.0	114.6
Feb....	79.5	83.2	79.1	76.6	72.8	72.8	86.8	76.3	78.7	79.6	94.2	115.5
Mar....	78.0	80.6	78.4	75.2	72.0	72.0	86.8	76.3	73.2	77.9	94.7	121.7
Apr....	78.0	80.1	78.4	75.2	72.0	72.0	83.6	76.3	77.7	77.9	91.6	117.7
May....	78.5	80.6	77.7	74.5	72.0	72.0	83.6	76.3	77.7	77.9	90.3	116.0
June....	78.0	80.1	78.4	75.2	72.0	72.0	83.0	76.3	77.1	77.3	90.8	117.5
July....	79.5	78.5	78.4	75.3	72.0	72.0	83.0	76.3	77.7	75.8	91.5	118.0
Aug....	81.0	79.1	79.1	76.6	73.2	73.2	83.0	76.3	78.7	77.3	89.2	115.5
Sept....	82.5	79.6	82.4	79.3	73.2	73.2	83.0	76.3	79.8	78.5	90.0	114.8
Oct....	82.5	81.2	83.1	80.7	74.8	74.8	83.0	76.3	80.3	79.6	90.8	114.1
Nov....	84.0	82.7	83.1	80.0	75.6	75.6	83.0	76.3	80.9	80.1	91.7	114.6
Dec....	82.0	81.7	82.4	79.3	76.4	76.4	83.0	76.3	80.9	79.6	94.6	119.0
1934:												
Jan. ...	82.0	81.7	81.8	78.6	75.6	75.6	83.0	76.3	80.3	79.6	—	—
Feb....	82.0	81.7	82.4	79.3	74.8	74.8	83.0	76.3	80.3	79.6	—	—
March	82.0	82.2	82.4	80.0	74.8	74.8	83.0	76.3	80.3	79.6	—	—

In the foregoing table the year 1929 is taken as the basis for two reasons, viz., firstly it is the pre-depression year, secondly, the concerted effort for rationalisation in Japan did not start until 1930-31. The basic figures used in the computation are:—The *Index Number of Retail Prices in Tokyo* by the Bank of Japan and the index number of actual earnings of factory labour in the Tokyo-Yokohama district as published in the *Statistics of Factory Labour* by the Bank of Japan. The weight used in the *Industrial*

Labour in Japan was that of the *Kakei Chosa Hokoku* or Report of Family Budget Inquiry of 1926-27. As the figures have become rather out of date, the result of the same inquiry undertaken in 1931-32 was made use of in computing the cost of living index given above. Particulars of the various units of the weight are as follows:—

Table 17. Articles and Their Weight Used for the Computation of the Cost of Living Index.⁽²³⁾

Item	Weight
1. Food and drinks:	
Rice (Japan proper rice, Japan proper glutinous rice, Taiwan and Chosen rice).....	10.21
Barley & Wheat (crushed barley, round barley and wheat flour)	0.11
Beans and vegetables (soya beans, red beans, potatoes, onions, lotus roots and other vegetables)	2.85
Bean cakes and pickles (<i>takuan</i> and other kinds of pickles, <i>tsukudani</i> and bean cakes)	1.60
Meat (beef and pork)	0.97
Fish (tunny, mackerel, shell-fish and salted salmon).	3.11
Seasoning material (salt, bean-sauce or <i>shoyu</i> , vinegar, white and brown sugar, oils and dried bonito— <i>katsubushi</i>)	3.16
Milk	0.19
Eggs	0.74
<i>Saké</i> (<i>saké</i> , distilled <i>saké</i> , <i>mirin</i> (sweet <i>saké</i>)	2.27
Other drinks (beer, cider, tea)	0.47
Cakes and fruits (Japanese and foreign candy or cakes, fruits).....	3.98
Tobacco	1.63
2. Clothing: (20 articles including cotton, silk, woolen and	

(23) From the *Kakei Chōsa Hōkoku*, 1931-32, pp. 116-118.

Item	Weight
mixed cloths, cotton and silk waddings, cotton, silk and woolen threads)	9.40
Accessories (10 articles including handkerchiefs, <i>han-eri</i> , shirts, socks and stockings, <i>tabi</i> , <i>Yukata</i> , hats, umbrellas, <i>geta</i> or wooden clogs and shoes or boots).	3.39
3. Fuel and light (gas, charcoal, coal, coke, wood and electric light)	4.60
4. Miscellaneous articles:	
Stationery (Japanese and European paper)	0.15
Soap and drugs	7.53
Total	56.41

The cost-of-living index given above does not cover house rent, taxes, fares and repairs. Strictly speaking, therefore, it cannot be regarded as such. But in the absence of anything more reliable, the author had it specially computed for the purpose of this book.

In Japan, there are no cost-of-living index numbers which may be called scientifically reliable. The need for a reliable cost-of-living index has long been felt in Japan, but the Government has not made any official attempt to compile index numbers weighted according to the relative importance of the various items of daily necessity. The *Osaka Asahi Shimbun*, one of the largest newspapers in Japan, and probably in the world, started the compilation of cost-of-living index numbers in 1931 by using the weights obtained by the Cabinet Bureau of Statistics at the time of its first inquiry into workers' family budget (1927). But their figures

do not go back further than October 1931.⁽²⁴⁾ They are therefore unsuitable for the purpose of following the trend of real wages movement in Japan during the past five or six years.

In June 1934, the Nagoya Chamber of Commerce and Industry published an index of real wages for all Japan in a publication entitled "*Industrial and Labour Conditions in Japan, with special Reference to those in Nagoya.*"⁽²⁵⁾ But what is termed the "index of cost of living" in this publication is nothing but the retail price index numbers of the Bank of Japan, the same material as used by the author in the computation of his real wage index. These index numbers are not weighted, that is to say, they are simple arithmetic averages of retail prices in Tokyo of one hundred articles of daily necessity, and do not consequently take into consideration the relative importance of each article in a worker's budget. Moreover, they have the

(24) For particulars, see *Industrial Labour in Japan*, p. 207.

(25) P. 43. In the calculation of the real wage index, use was made of the money wage index of the Dept. of Commerce and Industry for 13 cities of Japan, of which the original base year is 1900. By converting the original figures to the basis of 1914, a comparison is made with those of England and America (see later for quotation). The Tokyo Chamber of Commerce and Industry also publishes figures similarly converted from the same sources in the *Monthly Report on Economic Conditions*. But its figures are slightly different from those used by the Nagoya Chamber.

same drawbacks as the author's figures in that they do not include house rent, which occupies about 12 per cent. of the worker's family budget, taxes, rates, fares, repairs, etc., all of which constitute important items of expenditure. Further, the retail price index numbers used are not for all Japan, but are for the city of Tokyo only. For these reasons, the figures given by the Nagoya Chamber of Commerce and Industry as real wage index numbers in Japan cannot be properly so called, just as the author's own figures are not cost-of-living index numbers in the strict sense of the term. They are, however, sufficient to reflect the general trend of real wages movement in Japan. As can be seen from Table 16, the difference between unweighted (simple arithmetic) and weighted averages is very slight.

Irrespective of the materials used, and for all the defects analysed above, all the real wage indexes discussed here point to one direction, namely, that during the past ten years, real wages in Japan on the whole have followed an upward course, although a slight decrease is noticeable during the past two years. In the following table, the *Asahi's* and the author's figures are given side by side with those of the Nagoya Chamber of Commerce and Industry. The figures for England and the United States are reproduced from the *Industrial and Labour Conditions in Japan with*

Special Reference to Those in Nagoya which contains many other interesting and suggestive tables.

Table 18. Real Wages Movement in Japan, England and America During the Past Ten Years, 1924-1933.⁽²⁶⁾

Year	Real Wage Index in Japan			England			U.S.A.		
	Author's (for Tokyo)	Asahi's (all Japan)	Nagoya's (29)	Index of Money Wage (27)	Index of Cost of Living (23)	Index of Real Wage	Index of Money Wage (27)	Index of Cost of Living (23)	Index of Real Wage
1924.....	—	—	142.4	177.2	175	101.3	208.6	168.6	123.7
1925.....	—	—	142.0	196.3	176	111.5	213.6	172.4	123.9
1926.....	—	—	154.6	193.1	172	114.0	216.2	172.4	125.4
1927.....	—	—	160.1	196.4	167	117.6	217.1	163.8	128.6
1928.....	—	—	163.7	194.5	166	117.2	219.9	166.8	131.8
1929.....	100.0	—	164.3	193.7	164	118.1	224.9	166.1	135.4
1930.....	109.6	—	176.1	191.8	158	121.4	203.8	159.8	127.5
1931.....	122.1	155	181.1	189.3	147	128.8	178.2	144.0	123.8
1932.....	119.2	156	171.9	185.8	143	129.9	134.9	129.0	104.6
1933.....	116.8	153	161.6	183.3	143	128.2	145.9	124.2	117.5

The foregoing table shows in the most precise manner that the Japanese worker leads the workers of England and America not only in the nominal value of the wages he earns but in what counts most—their purchasing power.

(25) Basis; 1914—100 with the exception of the author's figures which is the year 1923.

(27) For England; the London and Cambridge Economic Service.
For U.S.A.; The National Industrial Conference Board.

(28) For England; The Ministry of Labour.

For U.S.A.; The National Industrial Conference Board.

(29) Calculated on the basis of the nominal wage index figures for 13 cities of Japan and retail price index numbers for Tokyo only.

SUPPLEMENTARY WAGES;

In addition to the basic wage, there are in Japan other payments which may be regarded as a kind of wages substantially if not legally. For the explanation of the nature and extent of these supplementary wages, the following is given from the *Industrial Labour in Japan* ⁽³⁰⁾ :—

“In considering wages in Japan it is particularly important to take account, not only of the basic wage, but also of such supplementary wages as overtime pay, special allowances, bonuses and the payment of remuneration in kind. The payment of supplementary wages is extensively practised in Japan and they constitute an indispensable part of the workers' earning. According to section 1 of the Ordinance for the administration of the Health Insurance Act, wages include the “payments and other benefits received regularly or periodically.” Living-out allowances (*tsukin teate*) to workers living outside the factory gates and advantages in respect of living accommodation or rent do not enter into account in determining the amount of wages. Bonuses or allowances granted at intervals exceeding three months must also be excluded in computing wages”

“*Supplementary wages* include overtime wages,

(30) *Industrial Labour in Japan*, pp. 194-200.

allowances, bonuses, and material or other supplies."

"Workers on daily or piece rates usually receive extra wages for overtime worked before or after the regular working hours or on holidays Foremen or those entrusted with special duties such as the supervision of workers are often paid monthly *allowances*. During the war, special allowances were also granted to workers in most factories on account of the abnormal rise in the cost of living."

"It is an almost universal custom in Japanese industry to grant *bonuses*: regular or full attendance bonuses, annual or half-yearly bonuses for long or specially useful services. The regular or full-attendance bonus is usually equal to one to three days' wages per month and is paid with the wages. Annual bonuses, paid at the end of the year, or half-yearly bonuses, paid at the end of July and December, vary in amount with the state of trade, the value of the worker's services, and length of service."

"In some cases, the bonus system has developed into a form of *profit-sharing*. In 1928, the Japan Industrial Club, an employers' organisation, made an investigation which showed that, out of 430 selected establishments, 42, or nearly 10 per cent., had introduced profit-sharing."

"Money wages are supplemented in a large proportion of Japanese factories and mines by material supplies, a system which may be described as part

payment of *wages in kind*. According to the labour census report of 1927, out of the 7,486 factories investigated 4,370 factories or 58 per cent. paid wages partly in kind."

"The most important forms of payment in kind are dormitory or housing accommodation, including sometimes light and fuel, rice and other food and clothing. The average cost of these items per worker per day ranged in 1927 from 6 sen in the leather and ivory industries to 20 sen in textile industries as a whole (28 sen in silk filatures, 14 sen in cotton-spinning factories, 17 sen in cotton weaving mills). The average figure for all industries was 19 sen"

It must be noted here that the figures given above represent the *cost*, not the market value, of these items. Moreover, the author has reason to think that even this cost does not include such items as land rent, interest and depreciation of the buildings used as living quarters. In all likelihood, the cost in regard to the living quarters covers only the running expenses disbursed by the employer. The monetary value of the wages in kind must therefore be greater than the figures enumerated above.⁽³¹⁾ For an estimate of the market value of the welfare work in cotton mills, see page 83.

(31) The original sources used in the *Industrial Labour in Japan* are: *Rōdō Tōkei Jitchi Chōsa Hōkoku* (Labour Census Report) 1927, Vol. II, p. 548 *et seqq.*

In view of their nature, it may be disputed whether it is appropriate to include bonuses and profit-sharing payments in supplementary wages. As a matter of fact, the statistics of wages published in Japan exclude yearly and half-yearly bonuses and profit-sharing payments, retiring or discharge allowances, sickness allowance. Part of wages in kind is included in some statistics, while the others exclude it altogether. A special inquiry at the sources of information elicited the following particulars:—

Kind of statistics	Payments included in the returns	Payments excluded from the returns
Cabinet Bureau of Statistics.	Daily wages, overtime pay, piece rates, contract rates, etc. which are generally termed <i>chingin</i> or <i>tema</i> . Allowances, additional pay given for encouragement, bonuses (not yearly or half yearly).	Widows or orphans pensions, Travelling expenses to the province from which the worker came, Yearly and half-yearly bonuses. Payment in kind.
Dept. of Commerce & Industry.	Wages, salaries, food, allowances, overtime pay, encouragem't allowances.	Yearly and half-yearly bonuses. Payment in kind other than food.
Bank of Japan.	Wages, overtime pay, temporary allowances. Food in silk filatures and weaving factories.	Yearly and half-yearly bonuses. Payment in kind other than cost of food in silk filatures and weaving factories.

(5) WELFARE WORK

INTRODUCTORY;

Welfare work is an institution which has had a

particular development in Japan. It has no precise parallel in other countries. The term welfare work means various living facilities and amenities of life which the employer provides for the use and benefit of the workers he employs. The law does not prescribe for its provision. The employer does it voluntarily. The wideness of its scope and the complexity of its nature is indeed a characteristic of Japanese industrial organization. The *Industrial Labour in Japan* very aptly devotes a whole chapter to the description of welfare work in Japan. It says⁽³²⁾:—"The importance attached to welfare work in Japan derives in the first place from the long tradition of paternalism, which, as has been shown in previous chapters, remains a powerful influence in Japanese industry. The feeling of kinship between employer and employed, which was so marked a feature of the early industries of Japan, persisted through the period of development of large-scale modern industry more particularly in the form of a heightened sense of responsibility on the part of the employer for the well-being of the workers he employs. The result has been that welfare institutions and arrangements are considered to be an indispensable part of the organisation of every Japanese factory."

In 1932, The *Japan Industrial Club* published a

(32) *Industrial Labour in Japan*, p. 315.

pamphlet showing that the expenses disbursed for welfare work in 128 representative enterprises in Japan amounted to 23% of the wages paid.⁽³³⁾ This of course means the employer's cost of welfare work. In most cases, such costs do not include land rent and house rent. The Japan Cotton Spinners' Association estimates the market value of welfare work provided by its members for their employees as equivalent to the aggregate amount of wages paid by them. In other words, the workers can not get these facilities and amenities of life elsewhere unless they spend all of their earnings for them.

The scope of welfare work may be gauged from the *questionnaire* which the *Japan Industrial Club* sent to its members at the time it undertook to make an inquiry. The only item which may be regarded as constituting a legal obligation on the part of the employer is the expenses for the enforcement of Regulations of Industrial Accident Prevention and Sanitary Arrangements (part of Item No. 9). Attention may also be directed to the fact that Item No. 1 or Various Allowances does not include the legal discharge allowances (Two weeks wages) or any other payments arising from legal obligations.

Various items of expenditure are given below in

(33) From a pamphlet entitled "An Inquiry on Welfare Work Expenses," Japan Industrial Club, Nov. 1932.

the order of their respective percentages. (The figures in brackets represent the percentage of the amount spent under each item during the first half of 1931.)

Item No. 1. Allowances (63.2%). Examples:—Discharge or retirement allowances, long service bonuses and any other payments which do not constitute an obligation on the part of the employer. Legal discharge allowance is therefore excluded.

Item No. 2. Living Quarters and Dormitories (14.5%). Examples:—Housing accommodation for the workers, dormitories, water rates, electricity, cost of food.

Item No. 3. Sanitary Measures (7.5%). Examples:—Medical expenses, aid to the cost of medicine, hospital and sanatorium expenses, pay for doctors and nurses.

Item No. 4. Supply of articles (3.4%). Examples:—Aid to the cost of the maintenance of dining rooms, cooperative societies, expenses for the supply below market prices of articles of daily consumption and those which are required for work, expenses for factory shops, etc.

Item No. 5. Education (3.1%). Examples:—School, night school, continuation school, lessons, lectures, newspapers, periodicals and books; publication of factory paper.

Item No. 6. Amenities (2.2%). Examples:—Workers'

or miners' clubs, amusement rooms, entertainment such as cinemas, concerts, picnics, festivals and athletic meetings.

Item No. 7. Overhead charges (2.1%). Examples:—Pay of clerks in charge of welfare work, furniture and stock not otherwise provided for.

Item No. 8. Assistance (1.8%). Examples:—The employer's contribution to mutual assistance societies, other voluntary contributions or donations.

Item No. 9. Accident Prevention (1.3%). Examples:—Expenses for the enforcement of the Regulations of Hygiene and Prevention of Industrial Accidents, expenses for industrial safety committees.

Item No. 10. Others (0.9%). Examples:—Expenses for labour committees, friendly talk societies, and so on.

A brief explanation of the various items mentioned above is given in the following pages chiefly by means of quotations from the *Industrial Labour in Japan* where the items concerned are described in that book. Item No. 1, however, is not treated of in it. The author therefore offers his own explanation.

1. ALLOWANCES;

In Japan it is customary for the employer to give what is generally known as *kaiko teate* (literally, dis-

chage allowance) when he discharges workers. When the worker retires either for personal reasons, expiration of contract or old age, a retirement allowance called *taishoku teate* is generally paid to the worker.

Kaiko teate is paid in addition to the legal discharge allowance (amount equal to pay for two weeks). Both allowances doubtless began as good will payments or gifts from the employer. The voluntary nature of these allowances is still to be seen in the variation of amount and conditions upon the fulfilment of which they are paid. But nowadays they would appear to constitute an obligation, moral and economical, if not legal, of the employer. The workers think they are entitled to them, law or no law.

In many establishments, there is no distinction between *kaiko teate* and *taishoku teate*. According to an investigation conducted in August 1932 by the Secretariat of the Federation of Japanese Industries in respect of 226 representative enterprises,⁽³⁴⁾ they are known under several names other than *kaiko teate* and *taishoku teate*. Sometimes they are called pension, favorable treatment regulations, long service gratuity, solatium, old age allowance, etc. In all cases, however, grants are made in accordance with provisions

(34) From a pamphlet entitled "*Present Conditions of the Kaiko Teate System.*"

of regulations. Although these regulations vary according to establishments, the amount is invariably determined by the length of service primarily and by the merits of each worker secondarily.

The highest amount of *kaiko teate* is given by a certain cement factory where workmen discharged after a service of 25 years or more get an amount equivalent to the wages for 5,257 days and over, with the additional payment of money equal to 60 days wages for foremen and 30 days wages for *scwayaku* (caretaker). An electric power company gives money equal to the wages of 3,173 days and more. An electric railway company allows 2,472 days wages. The average of 62 larger undertakings varies between 695 and 783 days. The general averages for those discharged after a service of under 25 years are given below⁽³⁵⁾ :—

Table 19. Averages of *Kaiko Teate* According to Duration of Employment in Japan.

Length of service	Average of wages allowed for
20 years or more	Over 511.7 days
15 years or more	Over 372.4 days
10 years or more	Over 207.6 days
7 years or more	Over 142.1 days
5 years or more	Over 95.1 days
3 years or more	Over 57.8 days
1 year or more	Over 27.9 days
Under 1 year.....	Over 15.7 days

(35) *Ibid.* p. 23.

As regards the *taishoku teate*, the Secretariat of the Federation of Japanese Industries made a special inquiry in December 1932 in respect of 162 representative enterprises throughout Japan.⁽³⁶⁾ The amount of money given under this cannot be generalised as it varies considerably according to the reason for retirement, length of service, etc. The following table indicates the highest and lowest average number of days for which wages are allowed:—

Table 20. Highest and Lowest Averages of Retirement Allowance According to Cause of Retirement in Japan.

Reason for Retirement	The lowest (length of service under one year)		The highest (length of service over 25 years)	
	From	to	From	to
For personal reason.....	6.5	9.5	482.6	701.5
Contract expired	31.3	—	600.0	1,334.0
Age-limit reached	11.2	31.5	590.0	769.0
Called to military service..	10.4	19.7	744.8	916.3
No prospect of continuing work.....	15.0	31.5	—	605.1
Old age.....	14.0	26.0	403.0	755.0
Injury or sickness due to employment*	21.1	50.2	664.2	918.0
Injury or sickness not due to employment	10.5	26.5	540.4	772.0
Death due to employment* ..	15.4	30.9	533.7	772.0
Death not due to employment.....	13.9	23.1	533.7	772.0

* Legal or obligatory compensations excluded.

(36) "The Present Conditions of the Taishoku Teate System in Japan."

If the case of those who retire on personal grounds is taken for an illustration, the highest amount is paid by a certain electric power company to those who retire after 25 or more years of service, over 2,380 days wages being allowed to them.

The following table shows the amounts of allowances paid during the last four years in factories and mines employing over 50 workers⁽³⁷⁾:-

Table 21. Amounts of Discharge and Retirement Allowances Paid During 1929-1932 in Factories and Mines of Japan.

			No. granted donation	Percentage granted donation to No. retired	Total amount of donation Yen	Average per person Yen
1929	Dismissed for employers' reason	Retired workers 59,029	41,479	70.3	3,854,066	92
	Others	627,910	72,470	11.5	4,692,400	64
	Total	686,939	113,949	16.6	8,546,466	75
1930	Dismissed for employers' reason	97,566	70,979	72.2	12,201,351	171
	Others	613,877	76,305	12.4	7,759,417	101
	Total	711,443	147,284	20.7	19,961,665	135
1931	Dismissed for employer's reason	99,015	72,155	72.9	20,344,471	281
	Others	472,607	50,437	10.7	5,046,975	119
	Total	571,622	122,592	21.4	26,390,447	215
1932	Dismissed for employers' reason	53,208	32,613	61.3	5,552,963	170
	Others	441,291	51,538	11.7	5,517,306	107
	Total	494,499	84,131	17.0	11,070,274	131

* Excluding government factories and mines.

(37) *Industrial Life in Japan*, Industrial Welfare Society, Tokyo, March, 1934. p. 32.

2. LIVING QUARTERS AND DORMITORIES;

There obtains a fairly general practice of providing living quarters or dormitories for unmarried workers of both sexes. Housing accommodation for married workers is not so general as dormitories, but factories usually allow their married workers to occupy company houses at a nominal rent. The *Industrial Labour in Japan* describes the dormitories in the following manner⁽³⁸⁾:—

"A number of descriptions of conditions in the dormitories have been published, but unfortunately the official reports are not very recent, while the accounts of private observers are in some cases vitiated by superficiality or pre-conceived ideas, or written too long ago to give a picture of the present situation. However, a particularly detailed and objective account of the dormitories was published in 1929 by Mr. Arno S. Pearse of the Master Cotton Spinners' Federation of Great Britain, and may be considered to be a fair presentation of existing conditions."

"This writer visited the dormitories of a number of the larger mills and formed the opinion that, in all the big combines, the girls are better housed and fed than they would be at home."

Some of the dormitories visited by the author were

(38) *Industrial Labour in Japan*, pp. 319-20.

much better appointed than his own house. One which he went through in Osaka was equipped with modern appliances such as running water wash stands, flush water closets, tiled bath rooms, large and sunny toilet rooms, some of which are not commonly seen in lower middle class houses in Japan. Some had central heating. It was indeed a pleasure to the author to walk on mirror like corridors which the girls scrubbed by hands every morning. All had electricity. In all cases, *tatami* (mats stuffed with dried rice straw on which the Japanese, high and low, squat or sleep) were clean and spotless. Bedding and quilts were soft and clean. There was nothing which was unclean. Each girl has a chest of drawers for her personal use.

Under the Factory Law, the minimum space per person is fixed at one and a half *tatami* (about 27 square feet), but in the majority of cases, the space allotted to each inmate was something about two *tatami* (about 36 square feet). The space alluded to here means the space for sleeping, and does not include the other rooms of the dormitory.

3. HEALTH AND MEDICAL ATTENTION;

"Most large factories and mines in Japan have their own hospitals, with a staff of physicians, pharmacists, nurses, midwives, etc. These hospitals are often extremely well-equipped, with special wards for bacte-

riological examination, X-ray treatment, operations, dentistry, etc Most cases of sickness and injury are treated in accordance with the provisions of the Health Insurance Act, and the members of the workers' families, who do not come under the Health Insurance Act, receive treatment at very reduced rates Some companies have their own sanatoria and farms for the supply of milk and other produce."⁽³⁹⁾

The author was struck by the scarcity of patients in these factory hospitals. In May, 1934, he visited about a dozen hospitals attached to factories. There was only one which had more than two patients. In most cases, they were empty, and doctors and nurses looked anything but busy.

4. SUPPLY OF ARTICLES;

"A great deal of attention has been concentrated on *dining rooms* as a means of making life in the factories more attractive. Most factories have a common dining hall for the workers who live on the factory premises, while special dining rooms or rest rooms with benches are provided for workers who live out and who bring their mid-day meal to the factory. Occasionally the dining hall belonging to the dormitory can be transformed into a recreation or play-room or an auditorium, and some newly built dining halls have

(39) Quotated from p. 323. *ibid.*

space for a thousand people and can be used for meetings. The halls are clean and attractive with proper lighting and heating accommodation, pictures, hangings, wall paintings, flowers, etc."

"The supply and preparation of *food* is usually arranged by the factory management Special attention has recently been given to diet by some of the more progressive factories. Thus, a cotton spinning company has appointed a meals committee to prepare menus to suit the special requirements of each season. The personnel management of the factory examines and criticises the menu, with the aid of a special service of experts in nutrition."⁽⁴⁰⁾

"*Company shops* General merchandise such as foodstuffs, dry goods, articles for the toilet and other daily necessities are usually sold at these shops to the workers at cost price whether they live in or outside the dormitory belonging to the company; in consequence the workers are able to obtain their daily necessities at about 20 per cent. less than the market price."⁽⁴¹⁾

The author has not seen any company shop in Europe or America, but the Japanese company shops appear to be quite different from the European and American counter parts according to Mr. Oliver Lawrence

(40) Quoted from p. 318, *ibid.*

(41) Quoted from p. 325, *ibid.*

He says that⁽⁴²⁾ "they (Japanese factory workers) can buy their requirements at the factory shop—an institution which in Europe and America has often been made the means whereby the company gets back Friday's wages by Saturday morning."

5. EDUCATION;

"In a variety of ways, employers in Japan promote education both for the workers they employ and for their families. Thus, in the larger factories are found day nurseries, kindergarten, etc., in charge of trained nurses or other qualified woman. Elementary education is sometimes provided in factory schools for workers' children. Again, some factory or mine managements undertake the necessary arrangements for sending the workers' children to the public schools; they encourage school attendance by providing transport facilities, give prizes or scholarships, intervene for the re-arrangement of school hours to suit the convenience of the parents, organise parents' meetings, give or lend school equipments, etc. . . ."⁽⁴³⁾

According to the investigation by the Industrial Welfare Society, educational establishments in factories employing over 100 workers are as follows⁽⁴⁴⁾:—

(42) *The Listener*, 7 March, 1934, p. 397.

(43) Quoted from p. 324, *Industrial Labour in Japan*.

(44) *Industrial Life in Japan*, p. 14.

Table 22. Number and Kind of Educational Facilities in Various Industries of Japan.

Kind of factory	No. of factories investigated	Continuation schools	Engineering schools	Training for girls	Lecture meetings & clubs	Libraries	Factory magazines
Silk reeling.....	830	166	131	723	957	359	109
Spinning	238	137	19	692	533	158	77
Weaving	213	19	6	185	190	54	6
Other textile ...	104	10	3	52	67	27	4
Machine & tool	290	49	43	43	153	52	26
Chemical.....	283	19	10	55	140	55	14
Food & drink...	68	8	6	5	35	10	4
Miscellaneous...	144	12	3	22	52	22	11
Gas & Electricity	23	1	2	6	14	7	3
Government ...	74	56	65	49	162	56	22
Total.....	2,267	477	288	1,832	2,303	800	276

6. CULTURE, RECREATION AND AMUSEMENTS;

"In addition to vocational training, factory managements frequently organise classes for women in sewing, knitting, cooking, nursing, etc., and in such social accomplishments as flower arrangements, music and the tea ceremony. Lectures, study groups, reading circles, circulating libraries, factory newspapers or magazines play a part in the life of many Japanese factories."

"Certain fixed days in each month are set apart as festival days dedicated to some shrine or temple of either the Buddhist or Shintoist religion, erected in the premises of the factory or mine or in the vicinity. Sometimes ceremonies are performed to appease the departed spirits of operatives killed by industrial acci-

dents or to celebrate the festival days of the deities held to be patrons of the factory or mine. Such fête days are usually made holidays for rest and recreation."

"A great deal of attention is given to theatrical and other entertainments. Sports, such as football, baseball and tennis are encouraged, and inter-factory matches and athletic meetings are arranged. Other forms of recreation include walking parties and mountain climbing, cherry-blossom or maple-leaf picnics, mushroom gatherings, etc., and are organised by the management of factories as annual events. Interest in fencing, wrestling, archery, *jiu-jitsu* and other recreations which have come down from feudal days is also still very keen."⁽⁴⁵⁾

Since the prohibition of night work (1929) eight and a half hours are the usual working hours in almost all cotton spinning mills and the greater number of the large weaving mills, and one rest day per week is universal. Physical exercises and dancing became general in the overwhelming majority of factories, and tennis, baseball and basketball became more and more popular. The following table gives a fair idea of the scope and variety of sports for which facilities are provided by the employer⁽⁴⁶⁾ :—

(45) Quoted from p. 325, *Industrial Labour in Japan*.

(46) *Industrial Life in Japan*, p. 12.

dependent of the general budgets of the undertakings concerned. . . ."

"The number of these societies increased after 1927, when many of the former mutual-aid societies were disbanded as the result of the enforcement of the Health Insurance Act, the funds of the dissolved societies being handed over to the welfare societies. . ."

"Their funds are usually constituted by contributions from the management or by moneys handed over to them when the old mutual-aid societies went out of existence; in amount the funds vary from 160,000 yen to 300,000 yen, the interest accruing from the capital being used to meet running expenses. In other cases, the funds are made up of the contributions of the members, the amounts varying from 5 sen to 20 sen per month, and of subsidies by the management to an amount which is often almost equal to the total contributions of the members."

"In most cases, the chairman of the society is either the president or the managing director of the employing company, or the workshop manager, while the vice-chairmen may be appointed by the chairman or be elected by the board of councillors from amongst themselves. . . ."⁽⁴⁷⁾

(47) Quoted from pp. 331-2, *Industrial Labour in Japan*.

Chapter VI

WORKERS' STANDARD OF LIVING

(1) DIFFERENCE IN THE MODE OF LIVING

"Western people do not know how the Japanese workers live. It seems to me the cost of living is cheaper here, but I do not see any low standard of living. And it is this fact—the high level of the Japanese worker and his living standard—that must be explained abroad more frankly and clearly by Japan before international meetings."

—Mr. Fernand Maurette, Assistant Director of the
International Labour Office, Geneva, as reported
in the *Japan Advertiser*, April 21, 1931.

THERE is a Japanese proverb, "*Waga hotoke hitori totoshi*," which, literally translated, means "One's own Buddha alone is respectable." A devotee of the Buddha Shyakamuni often disdains the Buddha Amitabha or vice versa. He thinks that the believer in the Buddha of Infinite Light is a poor sort of fellow. The follower of the Buddha Amitabha pities the other fellow by way of returning the compliment. Similarly certain so-called Christians are inclined to class all outside their fold as uncivilised, just as some Westerners hold that theirs is the best civilisation, and from

this standpoint look at the Japanese standard of living and superficially conclude that it is low because a Japanese does without this or that. They often fall into the error of converting the Japanese cost of living into their currency at the prevailing rate of exchange and infer that the standard of living is incredibly low in Japan. Apply the same method to the cost of living in Soviet Russia and see if it is not the highest in the world. The Japanese standard of living must be measured by the yardstick that is commonly and universally used in Japan.

Discussing the "low" standard of Japanese living, the Federation of British Industries says⁽¹⁾ that "in plain words, unless rice is made equivalent to beef, the beef standard will cease to exist so far as many industries are concerned." The implication is that rice is lower than beef. The English have always been classed as beef eaters, but is it not also true that they are large eaters of potatoes? A comparison therefore might be fairly drawn between the potato standard and the rice standard.

Prior to the influx of Western custom and under the influence of Buddhist ethics in Japan it was considered to be improper to eat beef or any sort of meat for that matter. Meat was called "four-legged stuff"

(1) *The Menace of Japanese Competition*; Federation of British Industries, London, 1933.

which nourished savages. To-day, beef is not despised in Japan. But it does not follow that the standard of living has improved in proportion to the increase in beef consumption. The Japanese eat rice because they like it, not because it is cheaper than beef. Rice is not cheap, at least in Japan. There are cheaper cereals, still the Japanese prefer rice to any thing else as their staple food.

It is self-evident that the variety of man's food is determined by his environments and history. From time immemorial, the Japanese have lived on agriculture and fishery. The soil of Japan was fertile in those days, at least history tells us so. The country is still surrounded by seas. Rice and fish have thus become the principal food of the Japanese people. Animal food has been more easily obtained in the European countries and consequently their peoples became meat eaters. If better class Japanese ate butter and the working class margarine, then the workers' standard of living might be termed low in respect of food. Fortunately or unfortunately no one has invented an artificial substitute for rice. The Japanese are still rice eaters, high and low alike.

In this connection, Mr. Oliver Lawrence has the following to say when he broadcast a lecture entitled "*Japan's Industrial Revolution*" on the 5th of March, 1934 through the medium of the British Broadcasting

Corporation:—"Then the margin between different standards (of satisfaction) in Japan is pretty small; it is not a question of kippers and tea for the poor man and oysters and champagne for the rich; the food on the rich man's table is just the same as the poorest peasant's—rice and fish—better rice and fish, it is true, and served up on a greater and more pleasing variety of crockery, but rice and fish nevertheless."⁽²⁾

These remarks call for the explanation that whereas in Europe and America, fish is more economical than meat generally speaking, in Japan it is not always so. Take the eel and tunny for instance. The salt water eel is cheap, but the fresh water eel which is more popular is dearer than beef, weight for weight. The eel which fetches the best price in Tokyo comes from a particular village by a fresh water lake in Chiba Prefecture. The author does not know whether fresh water eels are used in that favorite dish of Cockneys—stewed eels. Attracted by a sign of "Live Eels Daily" at a plain looking restaurant near Middlesex street in the city of London, he entered the house and ordered a dish of stewed eels. He tried, but in vain, to finish it out of regard for the very hospitable proprietor who, seeing that the author did not relish it, had

(2) *The Listener*, 7 March, 1934 pp. 395-7. Published by the British Broadcasting Corporation, London.

brought every condiment in the restaurant. It was the only English dish that the author could not do justice to while in England. The manner of cooking is different. The Japanese fresh water eel is usually eaten grilled and with a particular kind of sauce.

As for the tunny, it is included in the weights used for the computation of the cost-of-living index in Tokyo (see Section 4, Wages and Cost of Living, Chapter 5). It may therefore be regarded as one of the necessities for the Japanese worker. The tunny in season (October—January) usually commands a higher price than sirloin of beef. Even when it is out of season, it is dearer than the cheapest grade of beef. Unlike the eel, the tunny is eaten raw in the form of *sashimi*. Bream, carp and bonito are also eaten as *sashimi*. They are all classed as better fish in Japan and are sold at a good price. In England, the bream is classed as a "coarse" fish. The author while in England saw in the papers that tunny fish weighing as much as 700 pounds were caught with rod and line off Scarborough for sport. He does not know what became of these tunnies. He never saw any tunny displayed at fishmongers'. On learning that there was a fish dealer at Golders Green in the suburbs of London who had tunny for sale, he went there but only to be told that some other Japanese living nearby had taken all of it. Englishmen might therefore think that Japa-

nese like cheap fish, as the tunny or eel seems to have small commercial value in England. But in Japan both are dearer than beef. The tunny here discussed has red flesh. The white fleshed tunny is regarded rather with contempt in Japan, while it is highly valued in America.

It can therefore be seen that the difference existing between Japan and Europe or America in the matter of the standard of living is the difference in kind rather than the difference in degree. What is a higher standard of living? He may be said to enjoy a higher standard of living who, not content with bare subsistence, has cultural wants and can satisfy them. It does not matter whether he eats rice or beef, walks in silks or woollens. The question is whether his cultural desires are high and, if so, whether he has means to satisfy them, and then, to what degree. It is difficult to define what constitutes cultural desires. But it is equally difficult to give a definition of the standard of living. The difficulty is not limited to the comparison of degrees of cultural wants. Even a comparison of necessities of life is not easy. For an illustration, the International Labour Office, Geneva, publishes at intervals prices in various countries of Western civilisation of what is known as the *International Food Basket*, consisting of a stated quantity of various articles of food common to the countries of

Name of articles	Whether wanted by a Japanese
Macaroni	Japanese macaroni and <i>soba</i> (a kind of vermicelli made with buckwheat flour) are wanted.
Peas	Yes.
Prunes	No.
Salt	Yes.
Salad oil.....	No. See remarks for butter.
Fuel (coal & equivalent).Yes.	
Electricity	Yes.
Gas	Yes.
Paraffin oil	No.
Soap	Yes.

What the author cannot understand is the fact that green vegetables and fresh fruits are excluded from this basket. In order to make this basket apply to the Japanese worker, it would be necessary to add, to mention articles of food only, fresh water and salt water fish (bonito, mackerel, tunny, eel, devil fish, cuttlefish, etc.), fresh green vegetables (radish, carrot, *gobo*, spinach, onion, green onion, and other green vegetables), dried vegetables (*shiitake* or a kind of mushroom, *kanpyo* or dried strips of gourd), fresh fruits, bean curd, *miso* (bean paste salted), *shoyu*, *Katsuo-bushi* (dried bonito used for seasoning), etc., etc.

The difference in the mode of living is equally pronounced in clothing and dwelling houses. For instance, silk is a luxury even in Japan, while woolen garments are now considered necessities. But there are few workmen, male or female, who have no silk clothes in their wardrobe. In the occident, on the

contrary, this would be the exception rather than the rule. The Japanese are also very fond of hot baths. Workers take a bath every day, every other or three days at least. Few countries in the world have so many public bath houses as Japan. Because of the Japanese love of cleanliness importance is attached to bathing facilities in factories. In Europe and America, however, there would be very few labourers who make a point of taking a bath every day. In this regard, the Japanese are often made out to be fond of or used to mixed bathing of an indiscriminate nature.⁽³⁾ The author assures the readers that they would find it difficult to see mixed bathing in public bath houses even they looked for it over the length and breadth of the Japanese Empire.

(2) WORKERS' STANDARD OF LIVING

If you see how the Japanese worker lives bearing in mind the difference in the mode of living and use criteria or a yardstick of value applicable to Japan, you will find that the Japanese workman is able not only to make both ends meet but also reasonably to satisfy his cultural wants and save as much as 12% of his income.

(3) *The News Chronicle*, London, April 5, 1934, an article entitled "The Challenge of Japan."

According to the latest investigation of the Government, the average monthly income of 992 married workmen in 10 principal cities in ¥83.43, out of which they spend ¥73.08, leaving a balance of 10.35.

Table 25. The Average Monthly Family Budget of Japanese Workers.(4)

	Yen	Percentage
Actual income	83.43	100.00
Actual expenditure.....	73.03	87.59
Balance	10.35	12.41
Particulars of Expenditure (total).....	73.08	100.00
{ Sub-total.....	51.23	70.10
{ Food & drinks ...		
{ Total	25.83	35.35
{ Cereals	8.12	11.11
{ Fish & Veg....	9.54	13.06
{ Shiko-hin	6.10	8.35
{ Others	2.07	2.83
{ Dwelling.....	12.69	17.36
{ Light & Fuel	3.36	4.60
{ Clothing	9.35	12.79

- (4) 1933 edition of the *Rōdō Tōkei Yōran* (Statistics of Labour) pp. 284-5. The figures here quoted are not available in the *Industrial Labour in Japan*. The table refers to the average of 992 working men's households with 4,144 people or the average of 4.18 per household. The statistics were taken for the purpose of collecting basic data necessary for the administration of the Law of Rice Control. The Bureau of Statistics distributed blank books for domestic book-keeping to 1,300 workmen having families in ten principal cities of Japan. Of these 992 families returned the book with all entries duly completed covering the period of one year from September 1931 to August 1932. The inquiry is the first of the series and covers also civil servants, bank and commercial clerks, teachers. For detailed information, see the *Rōdō Tōkei Yōran*,

		Yen	Percentage
Expenses for Social Life.....	{ Sub-total.....	8.91	12.20
	{ Health & Hygiene	5.54	7.53
	{ Children	0.59	0.81
	{ Education	0.92	1.25
	{ Fares	0.95	1.30
	{ Communication	0.21	0.29
	{ Stationery	0.11	0.15
	{ Taxes, etc.....	0.59	0.81
Cultural Expenses..	{ Sub-total.....	10.71	14.66
	{ Society	6.48	8.87
	{ Culture & Amusement ...	3.55	4.85
	{ Travelling	0.68	0.93
Others.....	{ Sub total.....	2.23	3.04
	{ Miscellaneous	2.08	2.84

In reading the preceding table, notice must be taken of the fact that "Necessities" include *shiko hin* which is a general term denoting such articles as *saké*, beer, liquor, cigarettes, fruits, candies etc., showing that expenses for food are not restricted to those articles which are held to be requisite to bare subsistence.

Japanese workers do not spend on necessities of life as much as workers in other countries do. If this is not a sign of a higher standard of living, what else is? In the following table, the names of countries are given in order of the percentage of "others" which, so far as Japan is concerned, includes expenses for social life, culture and miscellaneous expenses. It may not be useless to remind the readers that the Japanese worker's expenditure here indicated as 100 represents

only 87.6% of his income. Precise information is not available on this point in respect of the other countries.

Table 26. Workers' Expenses for Necessaries of Life in Various Countries. (in Percentage).⁽⁵⁾

	Food	Rent	Light & Fuel	Cloth- ing	Total for Neces- sities	Others	Total Expen- diture
Japan (1931-32).....	35.4	17.4	4.6	12.8	70.1	29.9	100.0
Sweden 1923	42.7	9.9	4.3	13.9	70.8	29.2	100.0
Russia (Moscow)							
I-VI. 1925	43.9	8.5	2.1	18.0	72.5	27.5	100.0
Netherlands (Am- sterdam) I, X.							
1923-30, IX. 1924..	44.7	13.4	6.7	8.9	73.7	26.3	100.0
U.S.A. 1918-19	38.2	13.4	5.3	16.6	73.5	26.2	100.0
Switzerland 1921							
Skilled workers...	48.1	11.4	5.8	10.9	76.2	23.8	100.0
Unskilled workers	51.5	10.6	5.2	11.0	78.3	21.7	100.0
British India (Bom- bay) 1921-22	57.0	8.9	7.5	9.0	82.4	17.6	100.0
Ireland VI. 1922	57.1	5.4	7.0	17.5	87.0	13.0	100.0
Italy (Rome)							
VII. 1920.....	65.4	4.0	4.0	14.7	88.1	11.9	100.0

From the following summarised table taken from the same sources, it will be seen that the workers' standard of living is not very inferior to that of the "salaried class":—

(5) Figures for other countries are taken from the *Report on the Standard of Living of Workers in Various Countries*, 1926, League of Nations.

Table 27. The Average Monthly Income and Expenditure
of Workmen and "Salaried Class"
in Japan. (in Yen).

	Workmen	Civil servant	Bank & Com- mercial clerk	Teacher
Actual income	83.43	90.94	93.03	92.07
Actual expenditure	73.08	80.95	83.27	82.95
Balance	10.35	9.99	9.81	9.12
Average number of people per family	4.18	3.95	3.88	3.69

SAVINGS;

The *Industrial Labour in Japan* describes at some length the saving of Japanese workers (pp. 326-9). Calculation from the *data* contained in that book would show that per head savings of Japanese workers is something like ¥30.

At the Omiya Works of the Department of Railways, 413 members had deposits of ¥947 per head in the savings section of the mutual aid society, while 1,044 had postal savings bank account of ¥41 per head which they have voluntarily undertaken not to withdraw except under certain conditions.⁽⁵⁾

(5) The *Kojo Yoran* (Outline of the Works), Omiya Works, Nov. 1933, p. 25.

Chapter VII

CONCLUSION

AS has been described in Chapter II, Japan's share in the world's export trade is too insignificant to menace other industrial countries. It has always been a characteristic of Japan's foreign trade that imports are always in excess of exports. Unless some miracle happens, this tendency is likely to continue in the future. He does not see the other side of the picture who thinks that Japanese export expansion means shrinkage in the export trade of his own country.

The argument that Japanese goods are a common enemy of mankind calls for an answer. As has been shown in the preceding chapters, the conditions of labour in Japan are not low in view of her area, population, natural resources, social structure and customs. Conceded that they are low, what would happen if Japanese merchandise were shut out on that account? Closing down of factories, unemployment and the lowering of conditions of labour would be the inevitable result, the very situation which lovers of humanity desire to avert in their own countries. Again, there is every justification for Japanese goods being cheap. The majority of consumers in the world

suffer from decreased income, but they can afford to use them. Can it be reconciled with the love of humanity to lower the standard of living of 1,000 million natives in non-European countries by robbing them of clothing and footwear that are best suited to their slender purse? The world would not be happier unless the standard of living were raised all round irrespective of race and colour.

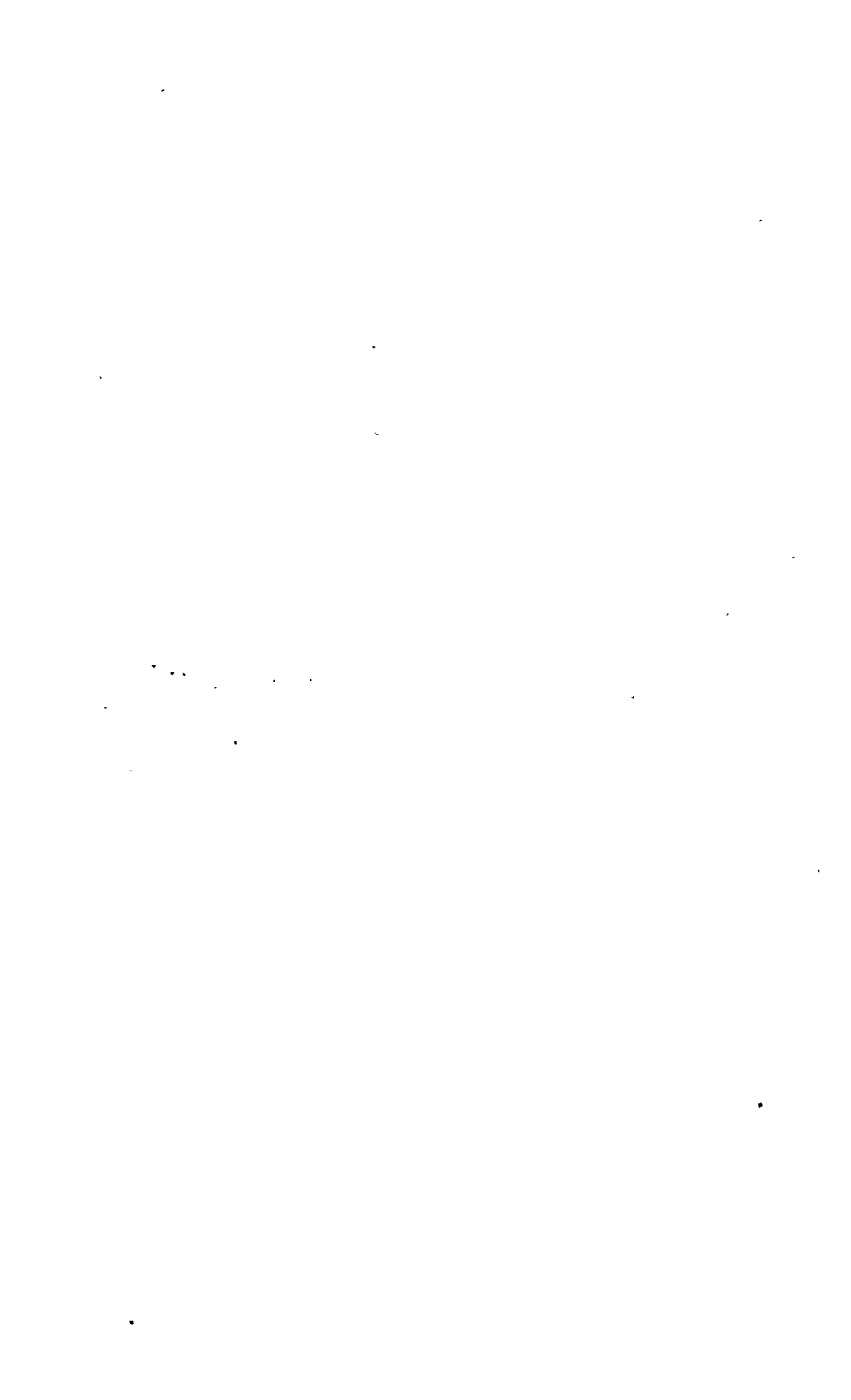
Economists agree that over-production is a primary cause of the universal depression. The stimulation of consumption is a most important means of restoring prosperity. An effective way to this end is to supply the masses whose purchasing power has diminished with inexpensive goods. Japan is enabled, thanks to the rationalisation and the reduction of costs, to play the rôle of supplier of satisfactory goods at economical prices to the impoverished consumers of the world. She takes the bulk of her raw materials from abroad, thereby contributing to the restoration of purchasing power in foreign countries. Increasing purchasing power benefits the other countries by creating an increased demand for their manufacture. The surplus of purchasing power resulting from the use of cheap goods goes to the other countries. Japan's export expansion therefore does not necessarily run counter to the interest of the other countries.

Eighty years ago, Japan was compelled to open

her door to Europe and America. Small scale industries of Japan could not stand the competition of Western goods which were produced with superior machinery. Consequently they all ceased to exist. That is history. Japan was then told that free trade was a means whereby the common welfare of mankind was promoted. By discarding industries which did not suit her and by concentrating on those best suited to her, she has now attained that stage where some of her industries are superior to those of old industrial countries. As soon as she begins competing with them, she is condemned in the name of humanity.

The author lays down his pen in the sincere hope that all lovers of fairplay will understand the selfish and unreasonable nature of charges levelled against Japan by some capitalists and labour leaders while ignoring the faults in their own industrial structure—the faults which disqualify them for the international arena of free and fair competition.

END



APPENDIX

PRELIMINARY REPORT ON THE MISSION OF MR. F. MAURETTE

(ASSISTANT DIRECTOR OF THE INTERNATIONAL
LABOUR OFFICE)

To Japan—April 3rd to 21st, 1934

(Published at Geneva on June 1, 1934)

My mission in Japan was, in its origin, connected with that which the International Committee on Intellectual Cooperation instructed me to carry out in China. The Chinese Government had asked the Committee to send an expert who could be consulted on problems relating to national education, some of which concerned technical education, while all of them had an economic and social basis. It was undoubtedly for those reasons that the Committee's choice fell on the official of the International Labour Office who had represented the Office at its meetings for the past ten years.

The Director of the International Labour Office accepted the proposal and considered, in agreement with the head of the Permanent Delegation of Japan

to the International Labour Organisation, that the mission might conveniently be combined with another mission to be carried out for the International Labour Office in Japan. In that way, the principle of co-ordination between the work of the technical bodies of the League of Nations and that of the International Labour Office could be applied by a means which allowed economies to be effected, since the expenses of my mission were shared by the two institutions. The cost of my journey to China was paid by the former, and that of my return from Japan by the latter.

During my visit to China I did not, of course, neglect the interests of the International Labour Office. I got into touch with the Minister of Industry and the bodies connected with it, as well as with the Chinese employers' and workers' organisations, and maintained close relations with the China Branch Office. As far as the International Labour Office was concerned, however, the main part of my mission was carried out in Japan. I shall therefore deal mainly with that subject in the present preliminary report, and I shall shortly analyse, summarise and formulate the results of the mission in a further report of a more detailed character.

I.

It was undoubtedly desirable that a high official

of the International Labour Office should carry out a mission in Japan. Japan is one of the eight States of chief industrial importance in the Organisation. It was therefore natural that it should be among the first to receive one of the visits of officials of the Office to oversea countries which the representatives of those countries have demanded with increasing urgency and which have been most favourably regarded both by the present Director of the International Labour Office and by his predecessor. Japan is, however, not merely one of the most important industrial States; it is also the one whose industry has made the most rapid and striking progress in recent years. It was therefore most advantageous for an opportunity of seeing Japanese industry, even if only rapidly and superficially, of forming even an approximate idea of its objects and methods, of getting in touch with its employers and workers, and of studying the conditions of labour which prevail in that country.

It was specially important to obtain even a superficial and rapid idea of the position, because in the last few months it has been suggested in various quarters that the success recently obtained by Japanese export trade on certain markets was largely due to costs of production, which were strongly influenced by less satisfactory conditions of labour in the exporting industries. The term "social dumping" was often

used, although those who used it did not always attempt to form an exact idea of the realities which underlay it. It would no doubt be too much to speak of a general trend of opinion, but during the last few months certain ideas have nevertheless been expressed which, as is well known, have been of serious concern both to the Japanese Government and to the employers and workers of Japan.

There might have been a danger that these considerations would have endangered the success of my mission, and would have distorted its objects, if it had not been for the work carried out by the Tokyo Branch Office, the Permanent Delegation of Japan to the International Labour Office, and Mr. Ayusawa, the senior Japanese official of the Office, who did excellent work in preparing for my mission to Japan in the country itself. There had been announcements in some papers that I was coming to Japan to make an enquiry into conditions of labour in that country and into what has been called "social dumping." The preparatory work to which I have alluded readily showed, and finally convinced public opinion, that even if I had desired to do so, and if I had been entrusted with that mission with the consent of the Japanese Government, I could not, in less than three weeks, have made a complete enquiry into conditions of labour in so great an industrial country.

My mission was, however, of a more modest and reasonable character. It consisted in conveying the greetings of the Director of the International Labour Office to the Government of Japan, which has always been a faithful Member of the Organisation, as well as to the employers' and workers' organisations; in getting into touch both with the Government and with the organisations in question; and in studying, in full cooperation between the Japanese world of labour and the Office, the special problems to which that cooperation may give rise, with a view to obtaining a general impression of living and working conditions in Japan so as to enable me in future to direct more effectively the studies which the Office may have to carry out on conditions in Japan.

The work of informing Japanese public opinion regarding the real object of my visit was excellently done, and any success which may have been achieved is primarily due to that work.

II.

I was most warmly received by the Japanese authorities and the various organisations concerned, and I should wish to ask them to accept my sincere thanks for what they have done. All of them offered the most cordial friendly and tactful hospitality. During the 18 days which I spent in Japan—and I can say that not

a moment of that time was wasted—they all freely placed at my disposal the necessary elements for obtaining information on social conditions in Japan, including conferences, opportunities for discussion, the supply of information, and visits to undertakings.

My principal activities during my stay in Japan may be classified as follows:

1. Meetings for discussion at the Department of the Bureau of Social Affairs in the Ministry of the Interior, at the Ministry of Commerce, and with the Minister of Communications.

2. Meetings for discussion with the Japanese Committee of the Institute of Pacific Relations, the National Confederation of Industrial Associations, the various workers' federations, the Organisation for Social Studies of Kyochō Kai, as well as various other bodies engaged in social study or institutions dealing with scientific labour problems and the feeding of the workers.

3. Interviews with the International Association of Japan (formerly the Association for the League of Nations), and with various other bodies engaged in social studies, and the editors of the principal newspapers.

4. Visits to 21 factories. At my request I visited for the most part factories working mainly for export. Out of the 21 factories visited, 16 were of this kind, while the 5 others were, respectively, a small factory

managed by the workers after the bankruptcy of the employer; a knitting works where conditions of labour were settled by agreement with the workers' organisation concerned, and were of a special character; a medium sized factory for the manufacture of cotton textiles, producing mainly for the local and national market; and two undertakings at Kyoto manufacturing high-class embroidered or printed silks and lacquered goods. The undertakings visited were in the three great industrial districts of Japan—the Tokyo district, the district of Nagoya, and the district of Kobe-Osaka. The undertakings were engaged in the following industries: textile industries (spinning, weaving, finishing and dyeing), foundries, manufacture of watches and clocks, fountain pens, india-rubber, bicycles, electric-light bulbs, porcelain, electrical apparatus, matches, brewing, and glass manufacture. The undertakings were thoroughly inspected, with the assistance of officials of the Bureau of Social Affairs, and the visits were supplemented by conversation and discussion and an ample supply of information. They enabled me to form a general impression of the methods of work and conditions of labour in a considerable proportion of the industrial undertakings working for export in Japan.

III.

At the request of the Director of the International

APPENDIX

Labour Office, I intend to give an account of the conditions prevailing in a detailed report to be submitted to him in a few weeks. That report will be probably conclude by proposing a more detailed study of conditions of labour in countries where industry has developed recently. Such a proposal would be in accordance with the decision taken by the Governing Body at its session of October 1933, and would, of course, not relate exclusively to Japan.

Before concluding the present preliminary report, I should like to draw attention to two questions with which the entire world of Japanese industry—employers as well as workers, and also the Japanese Government itself—appears to be deeply concerned. They were repeatedly put to me, and I thought it possible and right to give a reply to them.

The first may be formulated as follows: Are wages in Japan really so very low as compared with those paid in *all* other industrial countries? I replied that according to my first impression, and as regards the undertakings which I had visited and concerning which I had information, there did not appear to be a great and widespread inferiority if account were taken of the very low cost of the living in Japan owing to the depreciation of the yen. That must be taken into account in order to estimate the standard of living, and it is also necessary to take into account the habits of

the Japanese population as regards food, clothing, housing and even amusements, or, in other words, the manner of life of the Japanese. In any case, in a careful comparative study of industrial wages—a study which I was, of course, unable to carry out—account would have to be taken of those two factors in relation not merely to the industrial workers of Japan but to the whole population, including peasants, salaried employees, and civil servants.

The second question related to social dumping: Is there any evidence of social dumping by which Japanese export trade benefits? My reply to this question was as follows. In the first place it must be asked: what is the real meaning of the term “social dumping”, which has never been clearly defined? In my view it can be defined by analogy with commercial dumping. Commercial dumping consists in exporting goods at prices which are less than the cost price plus a legitimate profit, and in selling the same goods on the home market at a higher price than cost plus the aforesaid legitimate profit. By analogy, it can be said that social dumping consists in increasing the chance of exporting national products by reducing the cost of production by means of depressing conditions of labour in the undertakings which manufacture them, or maintaining those conditions at a very low level if they are already at such a level. That may be done either with

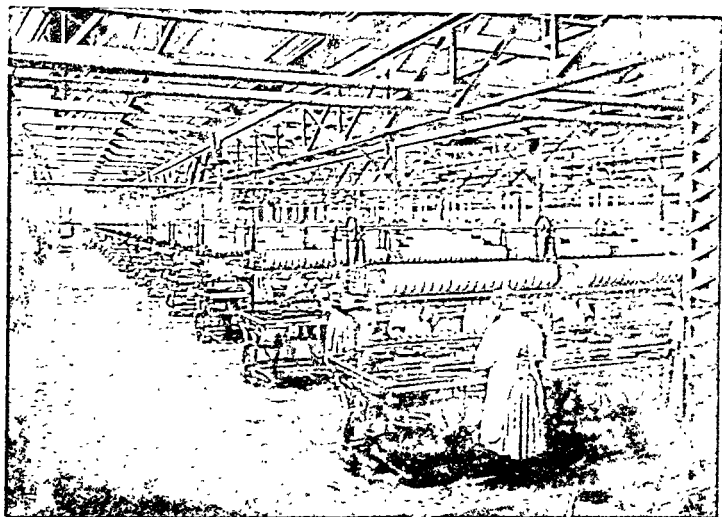
the consent of the workers or by compelling them to accept such conditions.

If that is what social dumping means, it may be stated that it does not exist in the Japanese industrial undertakings working for export which I visited. Indeed, it is in the large new undertakings, which manufacture mostly for export, that conditions of labour, including hours of work, holidays, wages, health, safety, etc. stand at the highest level. While, as is the case in all industrial countries, general conditions of labour should tend to improve in the years to come, according to the principle of social progress on which the International Labour Organisation is based, those factories are not at the lower end of the scale; most of them maintain the highest standards which exist in Japan, and serve as examples for the others. The improvement of conditions of labour for which the workers, in Japan as elsewhere, are asking will depend, as in other countries, on conditions some of which affect the whole world, while others are peculiar to the country. Those conditions will be examined in my final report. I do not think that the system which prevails in the large export undertakings of the type of those which I visited has stood in the way of such an improvement in the past—indeed the contrary is the case—or will impede it in the future.

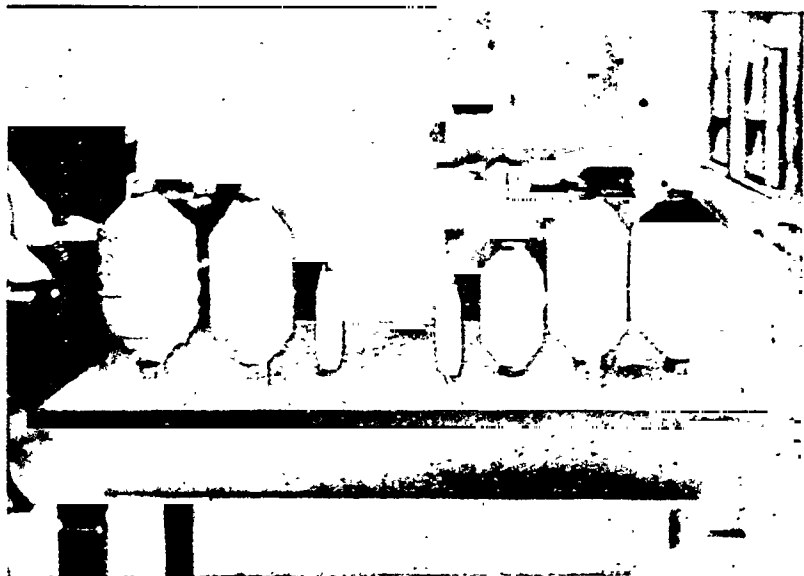
PICTORIAL SECTION

LIST OF PHOTOGRAPHS

1. Interior of a silk filature.
2. Elimination of one process in cotton spinning.
3. Individual driven motor in cotton spinning.
4. Two votive stone lanterns in the shrine of the patron gods of a factory.
5. *Chuisho Bako.*
- 6-10. Steam locomotive overhaul at Omiya Works
- 11-26. Life in dormitories.
- 27-36. Education in dormitories.
- 37-49. Physical culture.
- 50-55. Workers' clubs.
- 56-60. Medical attention.
- 61-65. Annual or semi-annual events.

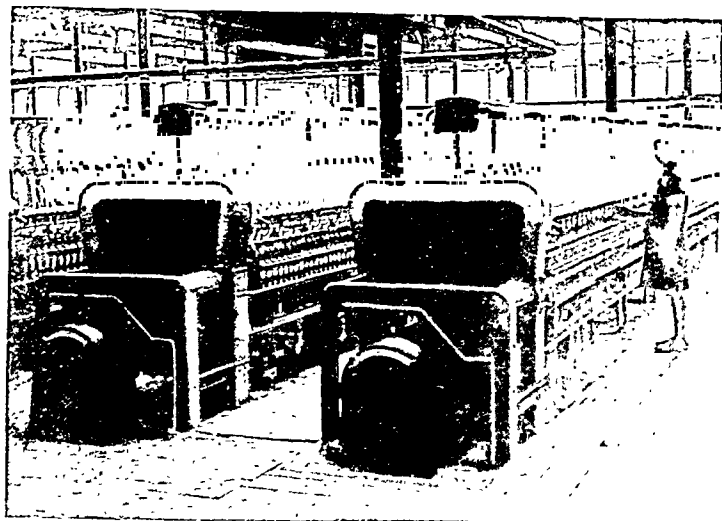


1 Interior of a Silk Filature.



2. Elimination of One Process in Cotton Spinning.
(See p. 29)

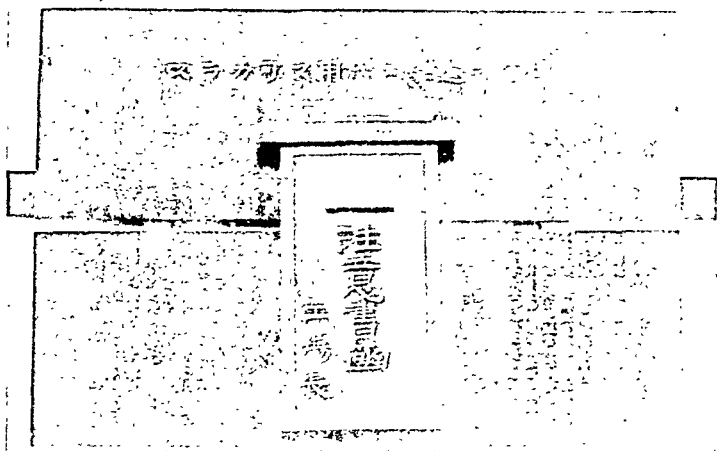
Four bobbins on the right show the processes required under the customary method in the coarse roving section. Three bobbins on the left represent the rationalised process.



3. Individual Driven Motor in Cotton Spinning.
(See p. 32)



4. Two Votive Lanterns in the Shrine of the Patron
Gods of a Factory (See p. 50)



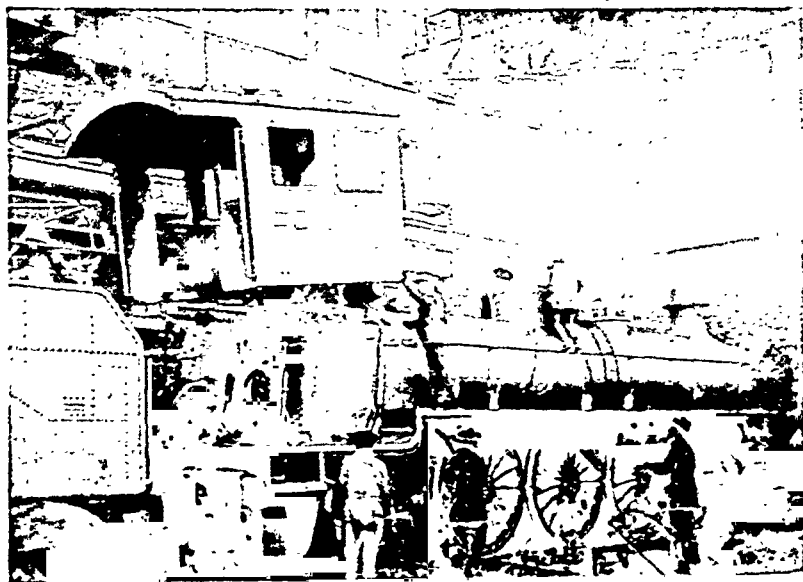
5. Chuisho Bako.

The author saw three or four boxes like this in a certain cotton mill. Any member of the factory can place in this box a signed or anonymous letter, be it complaints or a suggestion for technical improvement. The factory manager has the key. He has to send all the letters found in this box to the head office, the failure to do so meaning his dismissal. By means of this box, the head office can always keep in touch with workers. He who submits a useful suggestion is rewarded, while any complaints are speedily attended to.

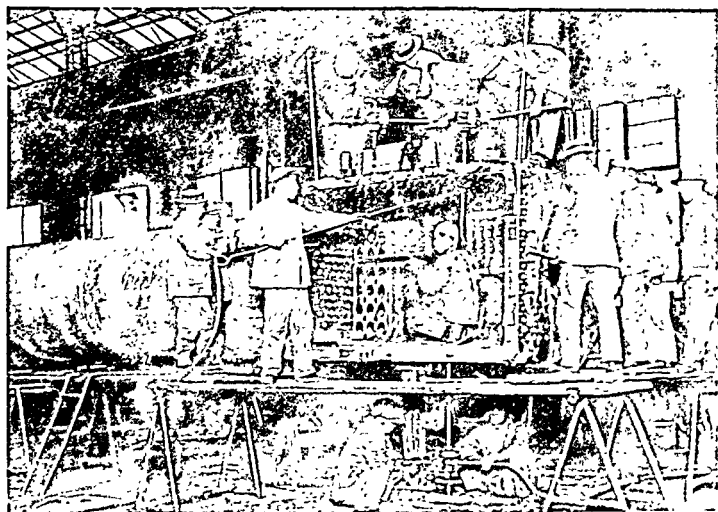
The large characters on the board says: "Let not custom rule reason." Those on the box "*chuisho bako*" (literally, box for letters requiring attention), the Factory Manager."

STEAM LOCOMOTIVE OVERHAUL AT ŌMIYA WORKS

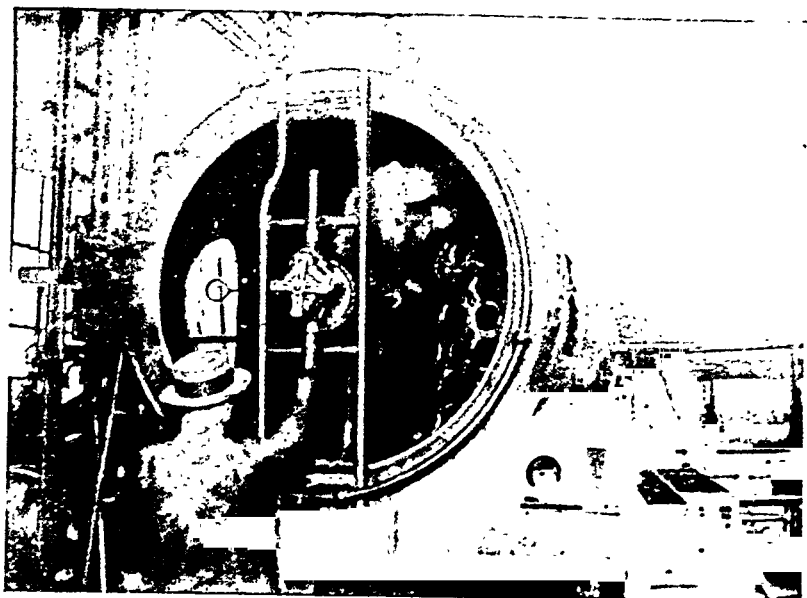
Overhaul of a steam locomotive takes five days in Japan. A similar job is said to involve 14 days in the United States, 28 in England and Germany. These five pictures show a typical scene on each day of the time table (See p. 42).



6. The first day; 8.20 a.m. Removing the cab.



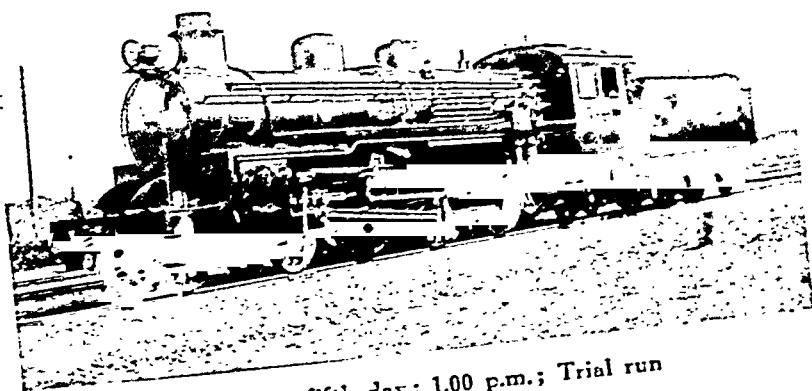
7. The second day ; 4.00 p.m. ; Threading stay holes
and beading the smoke tube end.



88. The third day; 12.00 a.m.: Beading of smoke tube end.'



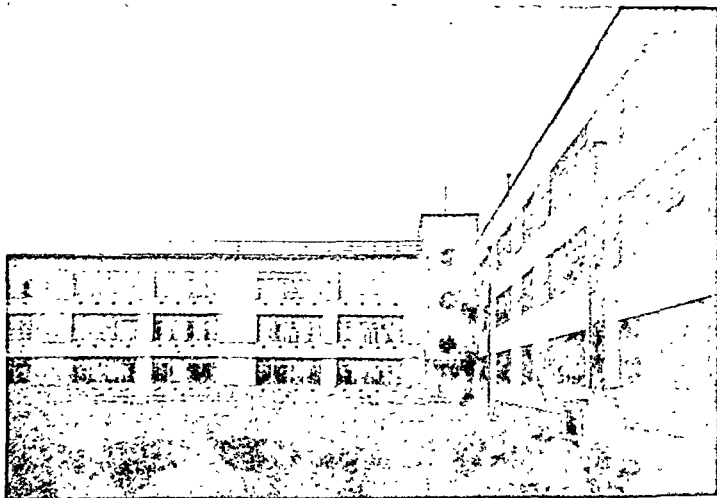
9. The fourth day; 10.00 a.m.; Mounting the boiler on the frame.



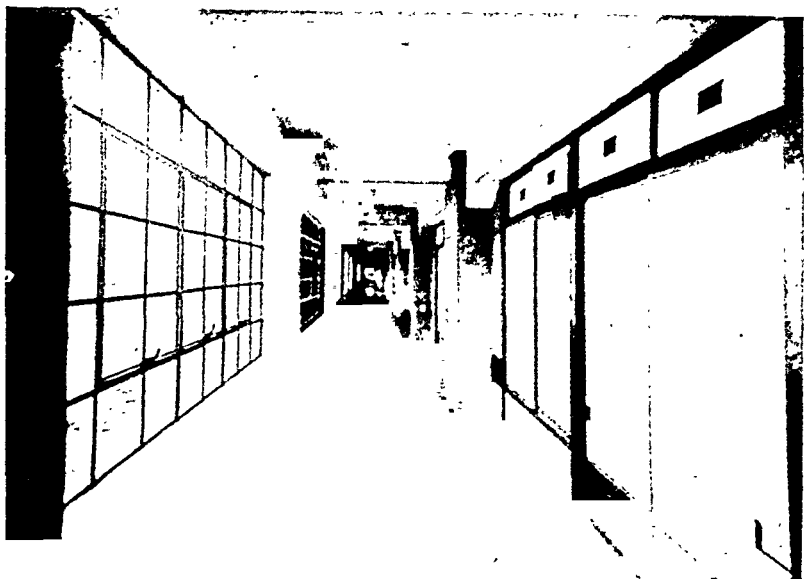
10. The fifth day; 1.00 p.m.; Trial run
in the works yard.

LIFE IN DORMITORIES

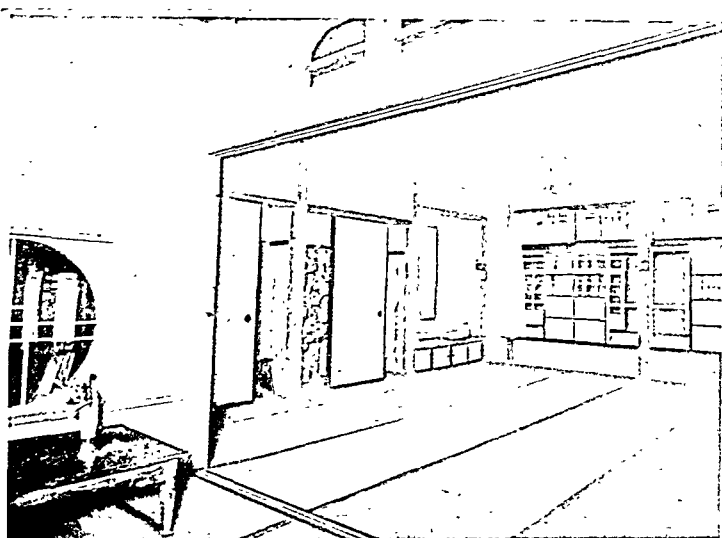
Dormitories are provided free of charge for unmarried male and female workers. They are subject to strict government regulations in respect of space, bedding, kitchen, lavatory, etc. (See p. 95 for particulars)



11. Outside View.



12. Inside View (Corridor)

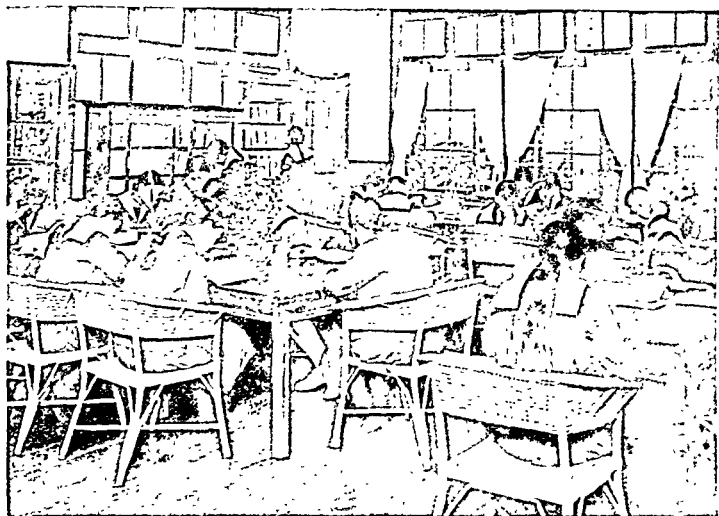


13. Interior of a Sitting Room (unoccupied)

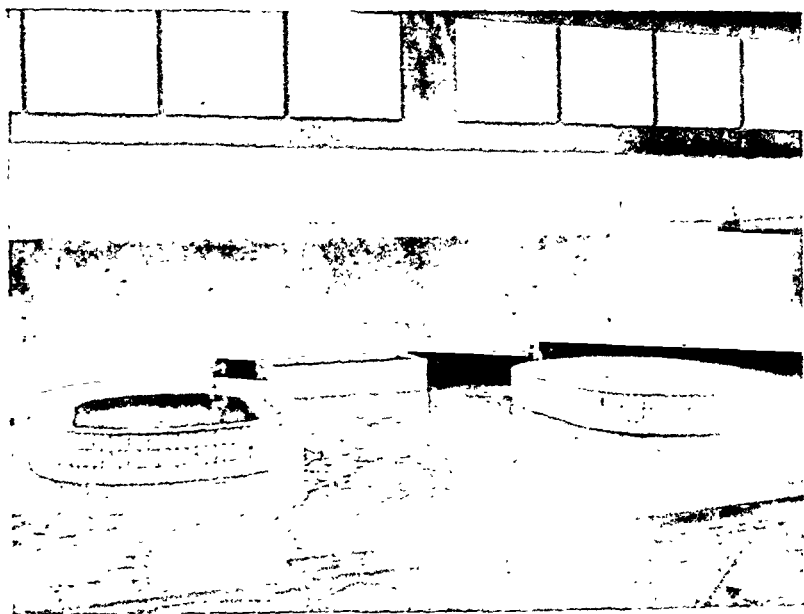
The room can be converted to a bed room by the simple process of spreading cotton wadded mattresses and quilts which are stored for the day in the cupboard on the left hand side of the pictures. No bedsteads are used. The Japanese like to sit and sleep on the *tatami* (See p. 96).



14. Interior of a Sitting Room (occupied).

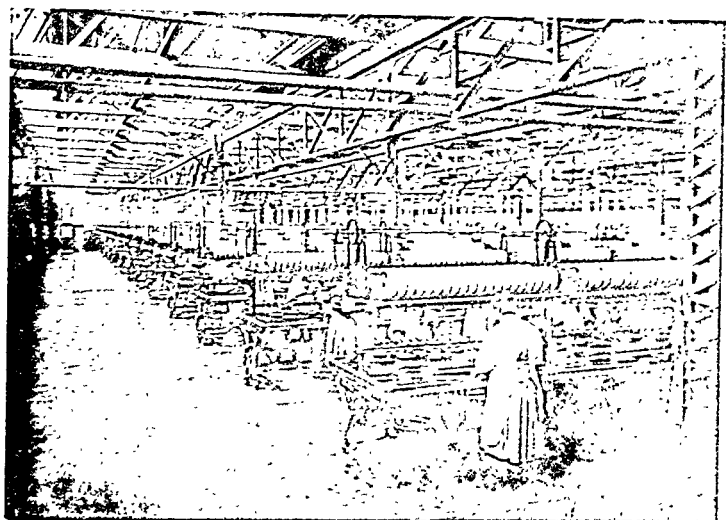


15. Reading Room.

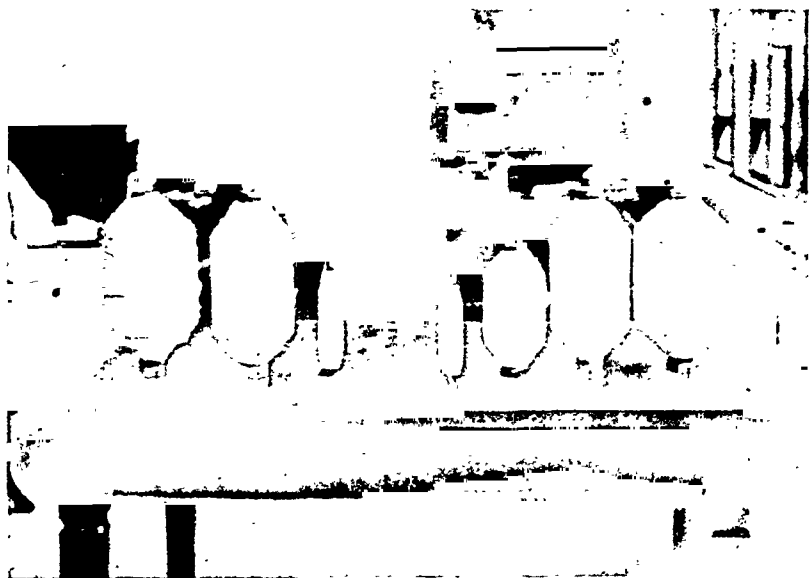


16. Bath Room.

The Japanese are very fond of hot baths. Workers take a bath every day free of charge. No mixed bathing is permitted (See p. 112).

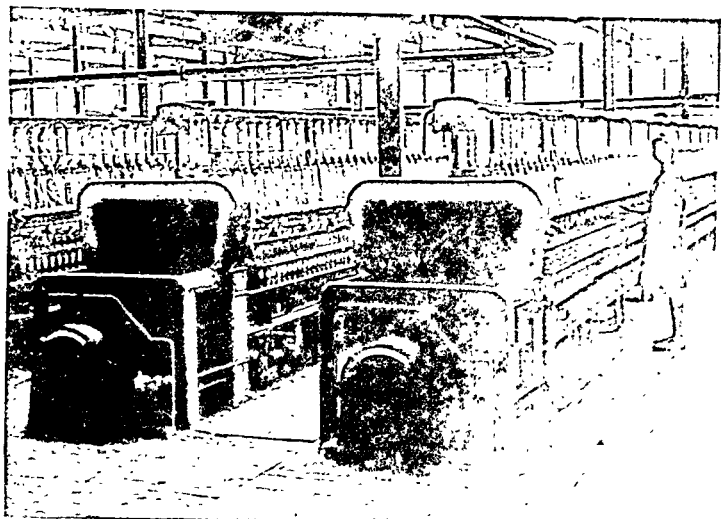


1 Interior of a Silk Filature.



2. Elimination of One Process in Cotton Spinning.
(See p. 29)

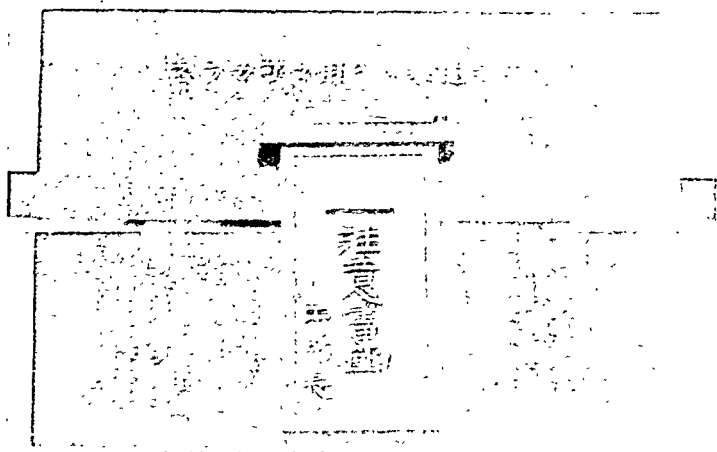
Four bobbins on the right show the processes required under the customary method in the coarse roving section. Three bobbins on the left represent the rationalised process.



3. Individual Driven Motor in Cotton Spinning.
(See p. 32)



4. Two Votive Lanterns in the Shrine of the Patron
Gods of a Factory (See p. 50)



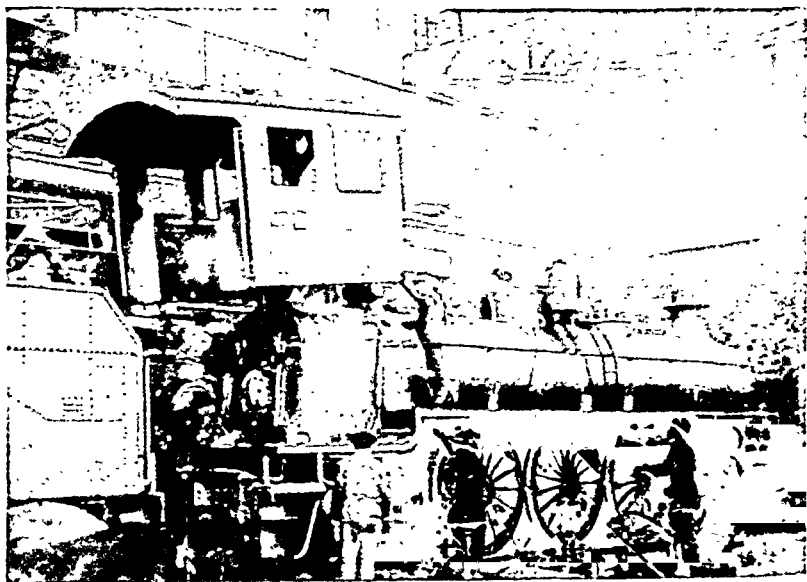
5. Chuisho Bako.

The author saw three or four boxes like this in a certain cotton mill. Any member of the factory can place in this box a signed or anonymous letter, be it complaints or a suggestion for technical improvement. The factory manager has the key. He has to send all the letters found in this box to the head office, the failure to do so meaning his dismissal. By means of this box, the head office can always keep in touch with workers. He who submits a useful suggestion is rewarded, while any complaints are speedily attended to.

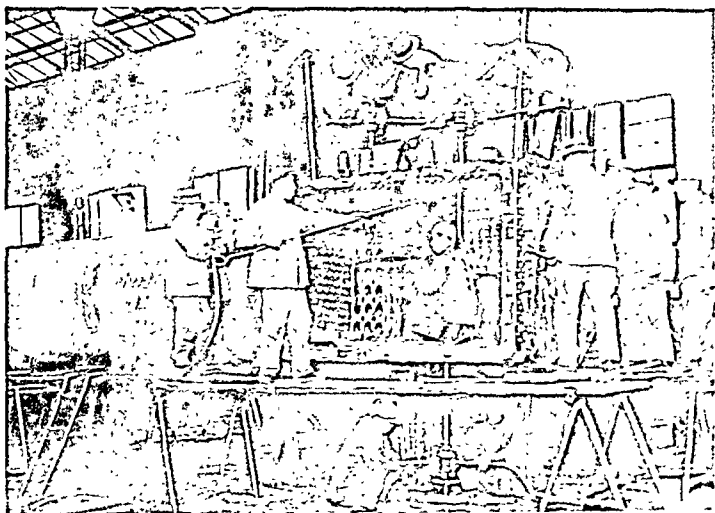
The large characters on the board says: "Let not custom rule reason." Those on the box "*chuisho bako*" (literally, box for letters requiring attention), the Factory Manager."

STEAM LOCOMOTIVE OVERHAUL AT ŌMIYA WORKS

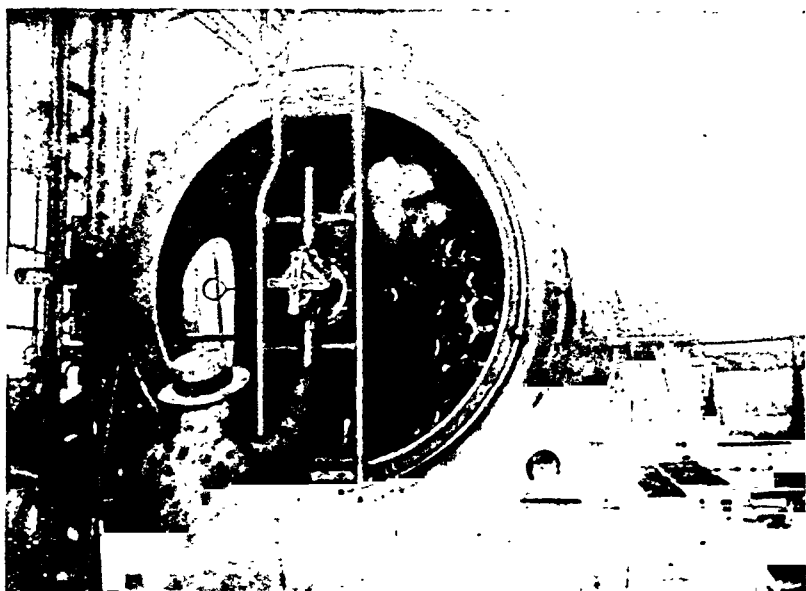
Overhaul of a steam locomotive takes five days in Japan. A similar job is said to involve 14 days in the United States, 28 in England and Germany. These five pictures show a typical scene on each day of the time table (See p. 42).



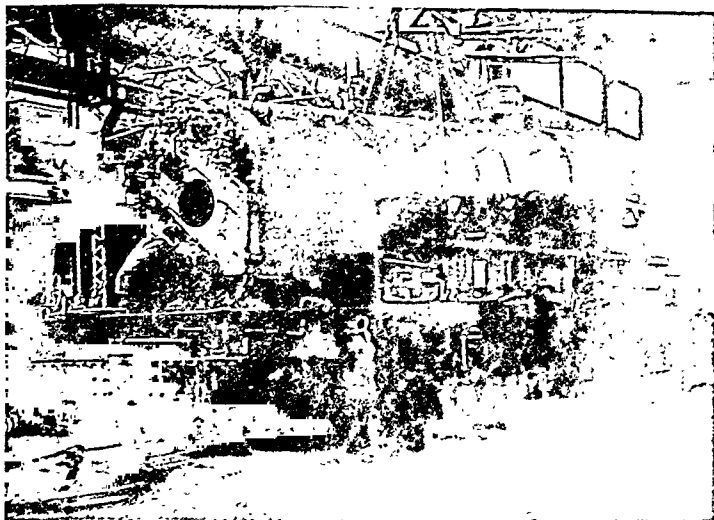
6. The first day; 8.20 a.m. Removing the cab.



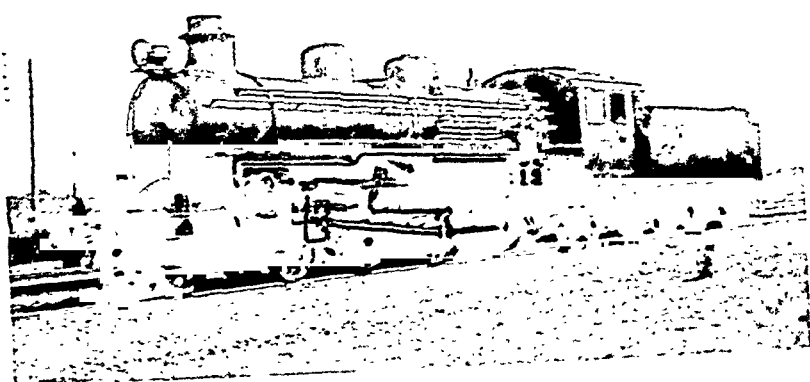
7. The second day; 4.00 p.m.; Threading stay holes and beading the smoke tube end.



8. The third day ; 12.00 a.m.: Beading of smoke tube end.



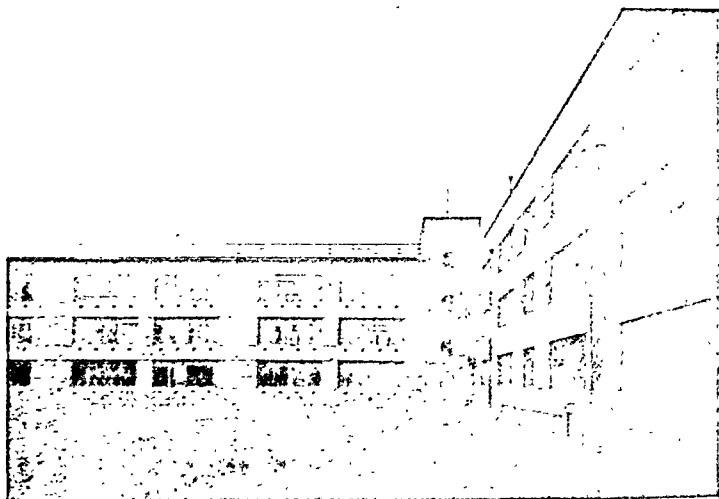
9. The fourth day ; 10.00 a.m. ; Mounting the boiler
on the frame.



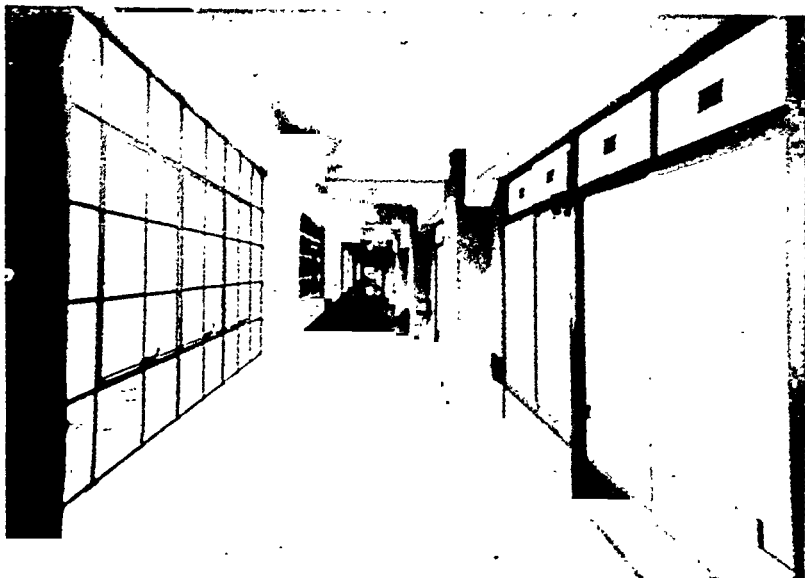
10. The fifth day; 1.00 p.m.; Trial run -
in the works yard.

LIFE IN DORMITORIES

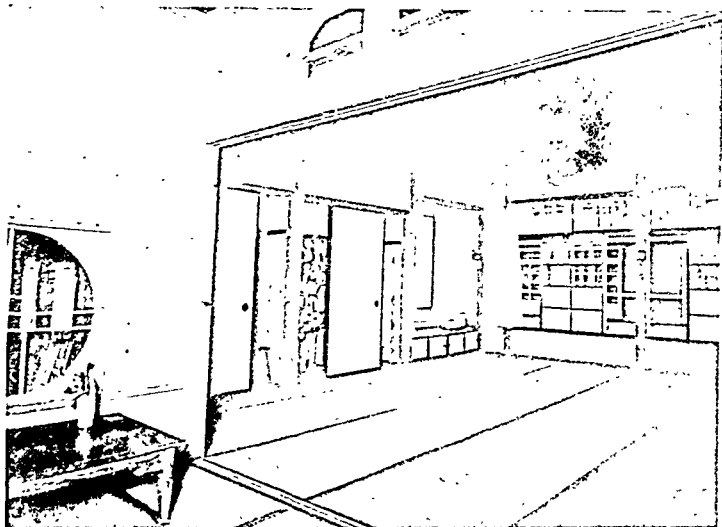
Dormitories are provided free of charge for unmarried male and female workers. They are subject to strict government regulations in respect of space, bedding, kitchen, lavatory, etc. (See p. 95 for particulars)



11. Outside View.

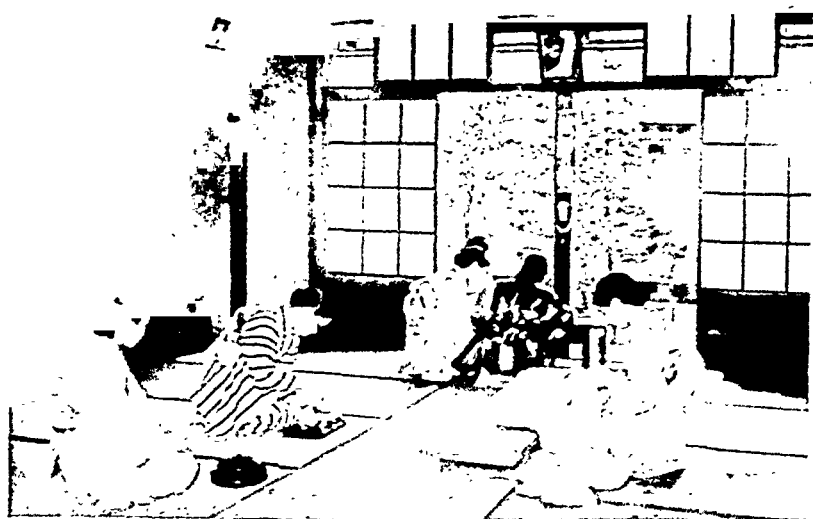


12. Inside View (Corridor)



13. Interior of a Sitting Room (unoccupied)

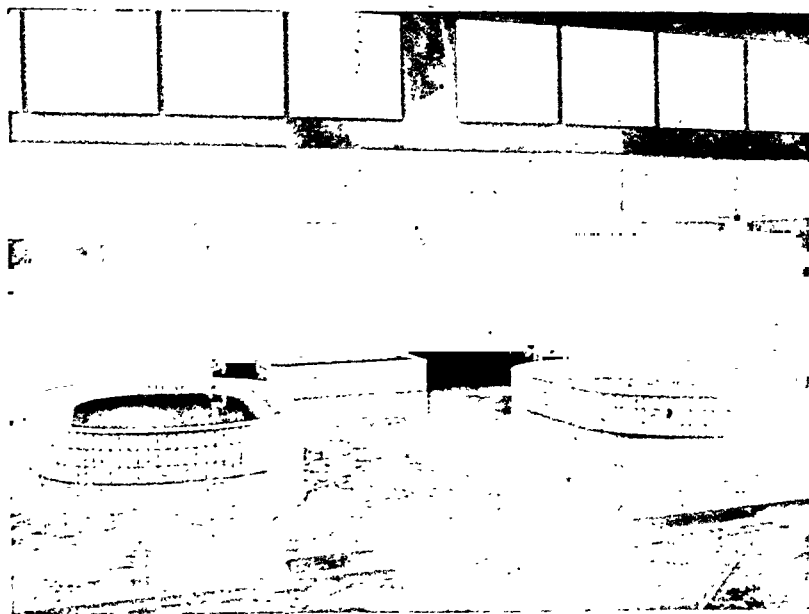
The room can be converted to a bed room by the simple process of spreading cotton wadded mattresses and quilts which are stored for the day in the cupboard on the left hand side of the pictures. No bedsteads are used. The Japanese like to sit and sleep on the *tatami* (See p.:96).



14. Interior of a Sitting Room (occupied).



15. Reading Room.

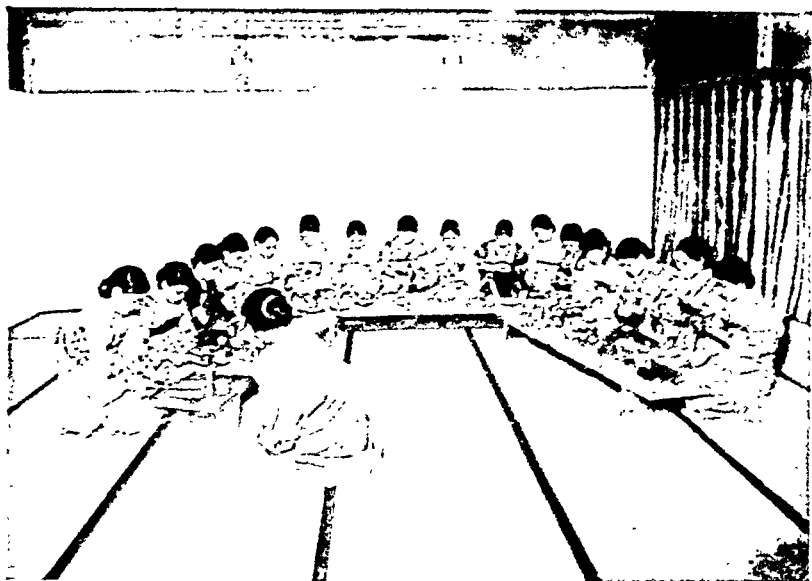


16. Bath Room.

The Japanese are very fond of hot baths. Workers take a bath every day free of charge. No mixed bathing is permitted (See p. 112).



33. Lesson in Flower Arrangement.



34. Lesson in Flower Making.



35. Drawing Class.



36. Harmonica Band.

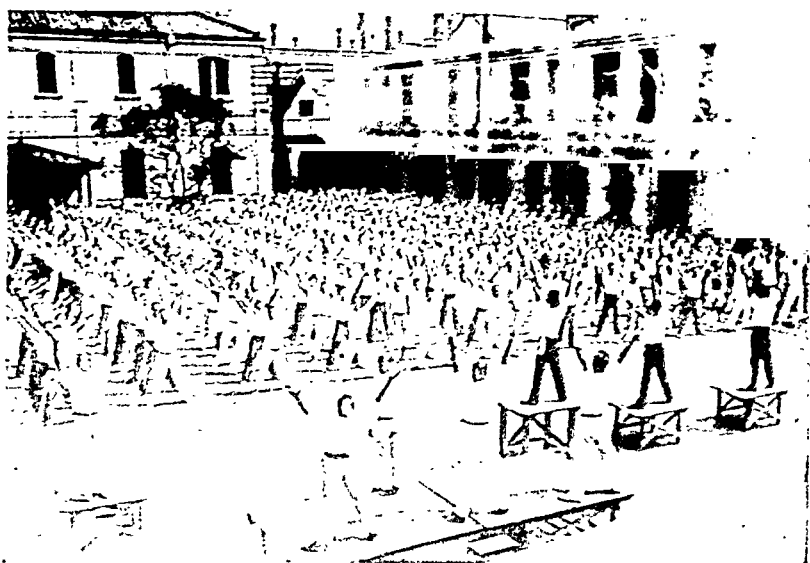
This band played in public many times. Last year it was broadcast over the wireless.

PHYSICAL CULTURE

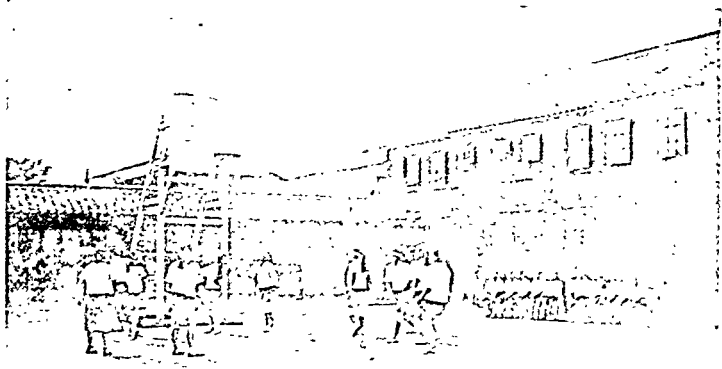
In practically all large factories in Japan, drill is daily practiced to the accompaniment of the gramophone or the radio.



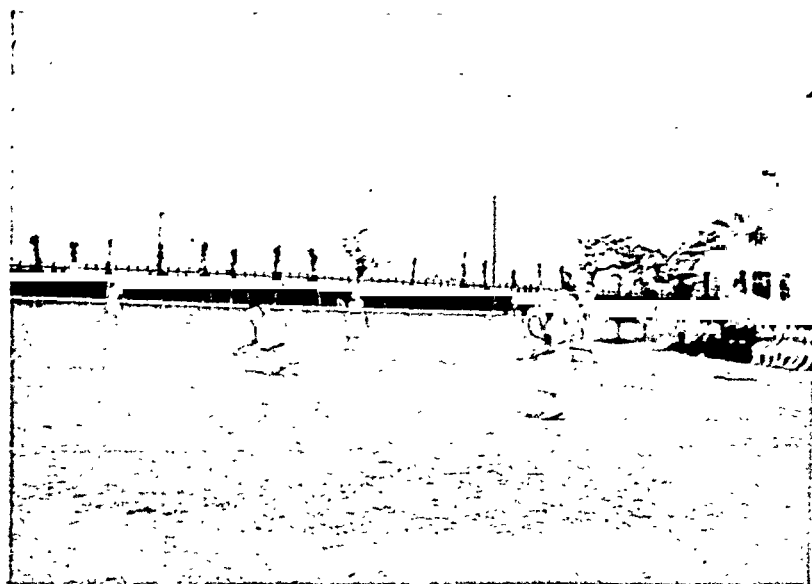
37. Drill (Girls).



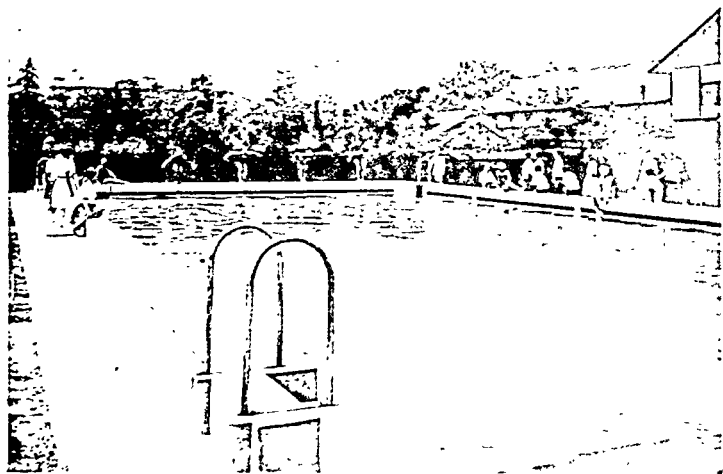
38. Drill (Men).



39. Basket Ball (Outdoor).



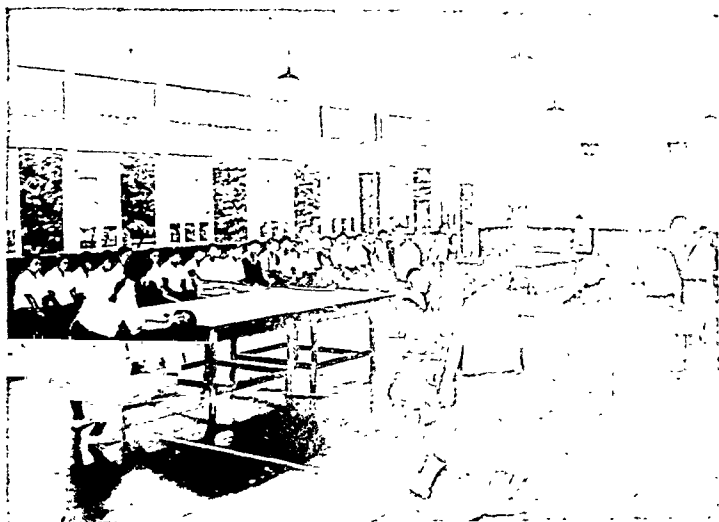
40. Tennis.



41. Swimming Pool.

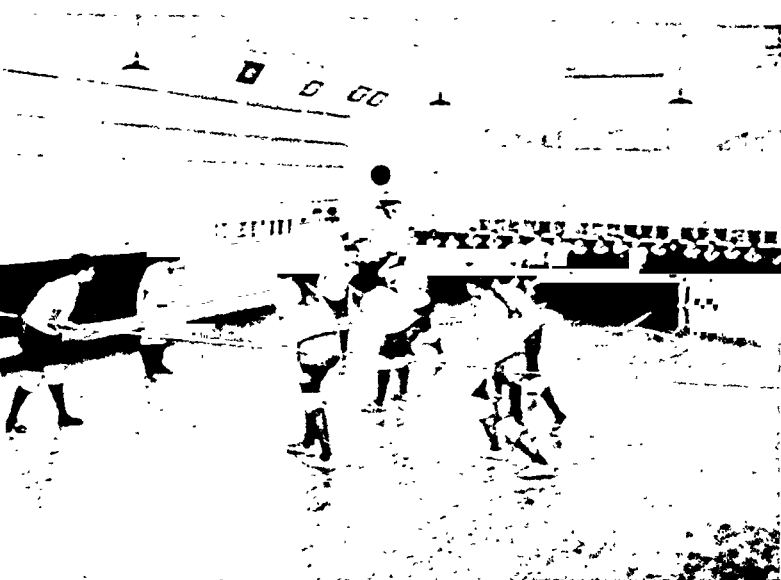


42. Gymnastics (Indoor).

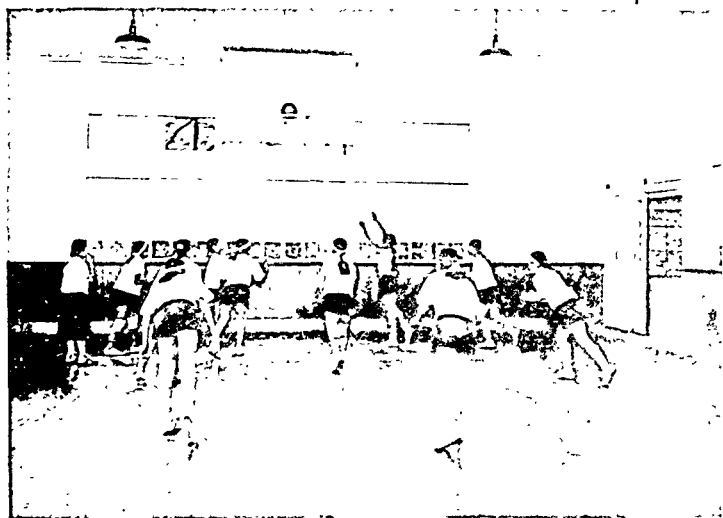


43. Ping Pong.

Ping pong is the most popular game among the girl operatives as it requires little preliminary preparation and can be practised even at rest time. Many girls play at inter-factory and inter-prefecture matches. Some of these girls appeared in the All Japan Championship Match last year.



44. Volley Ball (Indoor).



45. Basket Ball (Indoor).

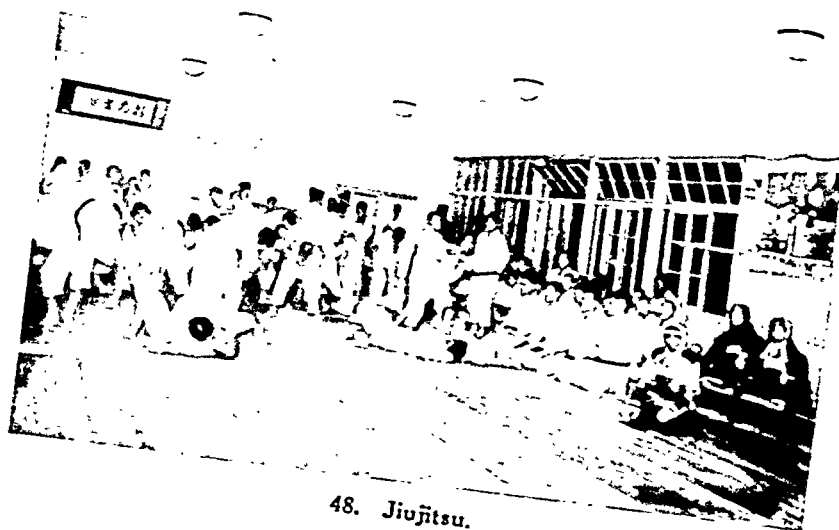


45. Angling Competition.

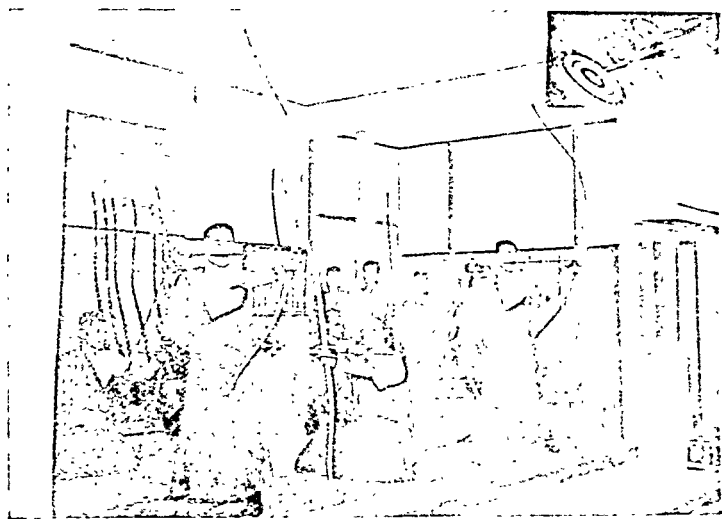


47. Japanese Fencing.

This *Dōjō* (a building specially constructed for the practice of fencing and *jiujitsu*) is divided into two parts. One is without *tatami* (picture 47). The other has *tatami* (picture 48). The gods of the arts of self defence are enshrined in the alcove (seen on the right hand side of picture 48).



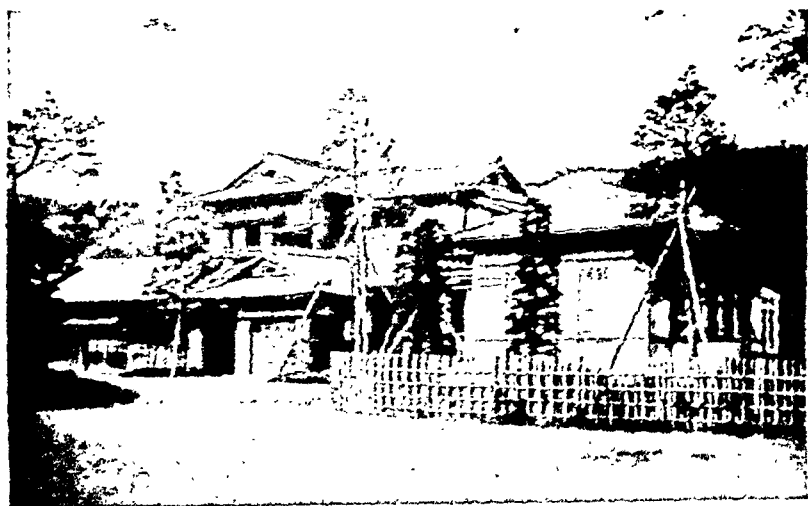
48. Jiu-jitsu.



49. Archery.

WORKERS CLUBS

Originally, these buildings were the residence of the founder of one of the largest cotton spinning mills in Japan. After his death, they were removed, in accordance with his will, from Tokyo to a little town near Hakone, a distance of sixty five miles, and have since been used as a sort of workers' club of that cotton mill. The two smaller pictures are the author's snapshots of the garden of this club. The chimney in the distance indicates the location of the mill. The stone pagoda is a monument dedicated to the founder.



50. Worker's Club House.



51-52. Workers' children are seen playing
about in the garden.

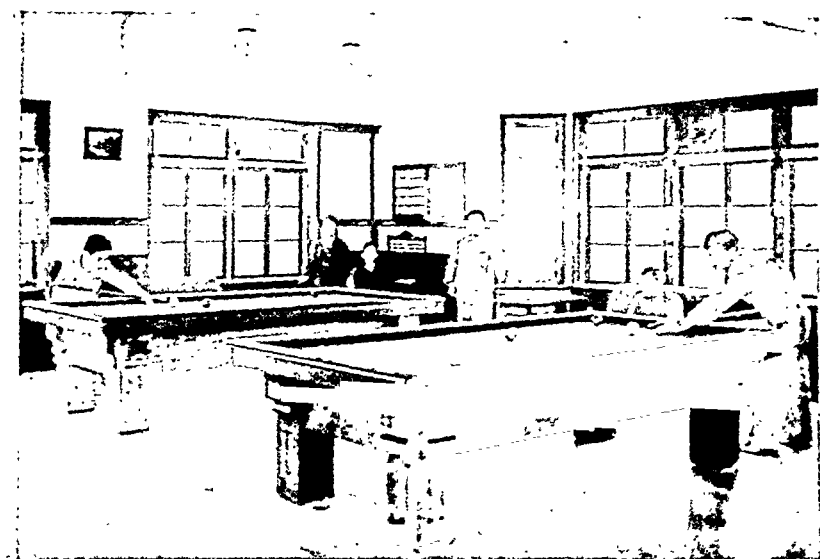


53. Another club by Lake Biwa, near Kyoto.



54. Interior.

Used for meetings and indoor games. The Japanese game of *go* is played on the small table in the picture.

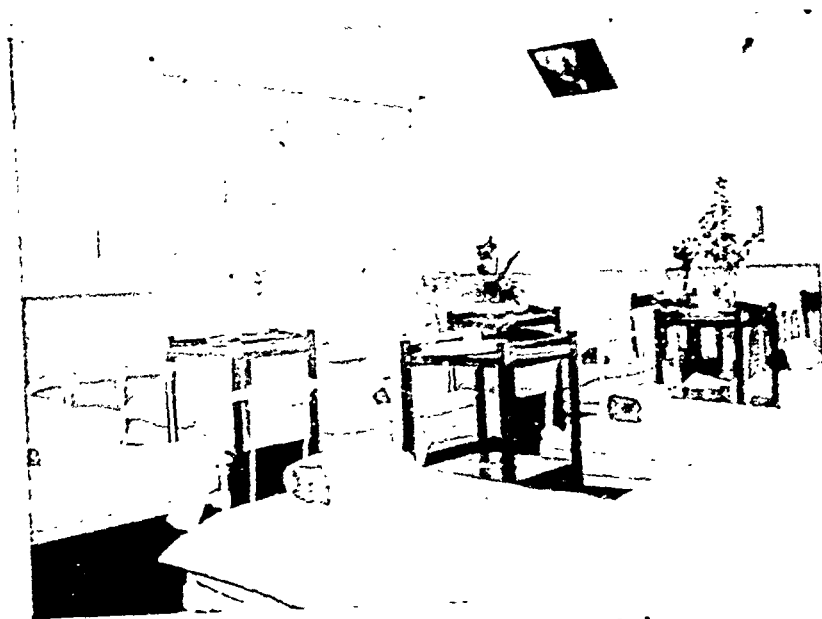


.55. Billiards.

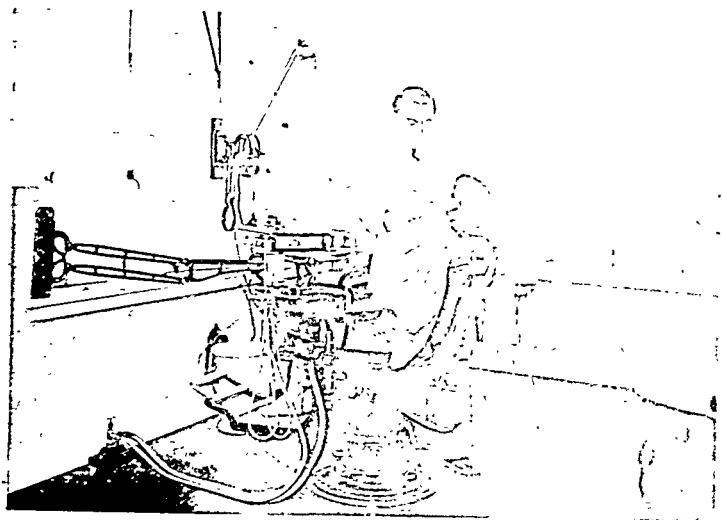
MEDICAL ATTENTION



56. Factory Hospital (Outside View).



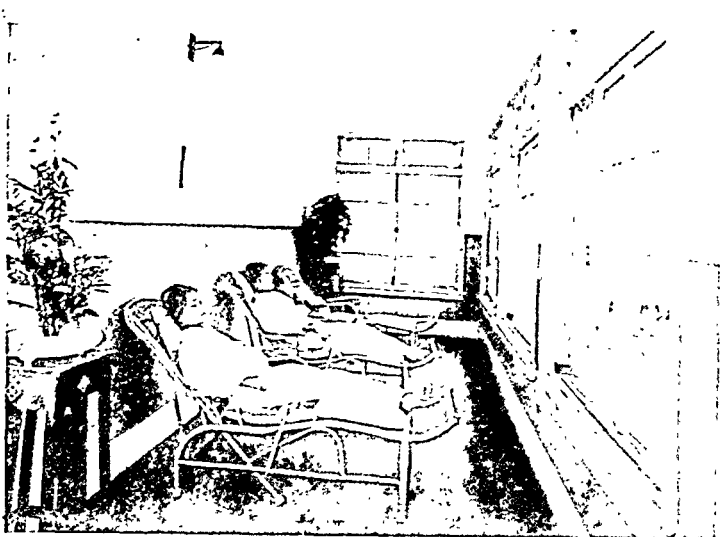
57. Inside View of Factory Hospital.



58. Dentist's Room.



59. Dispensary.

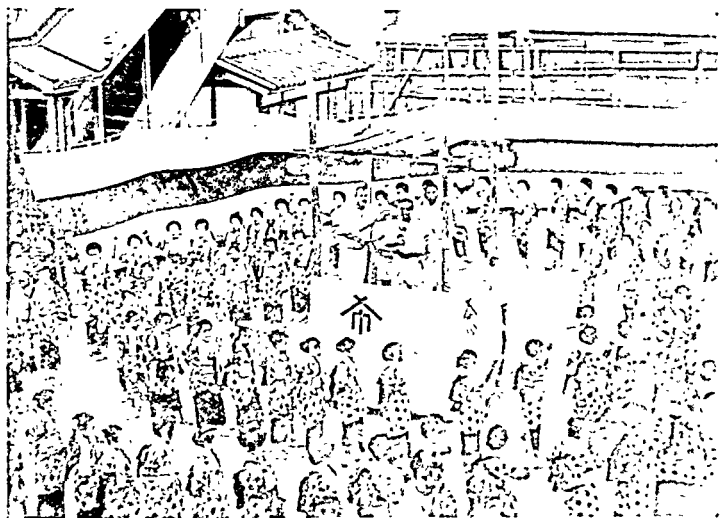


60. Sun Bathing Room.

ANNUAL OR SEMI-ANNUAL EVENTS

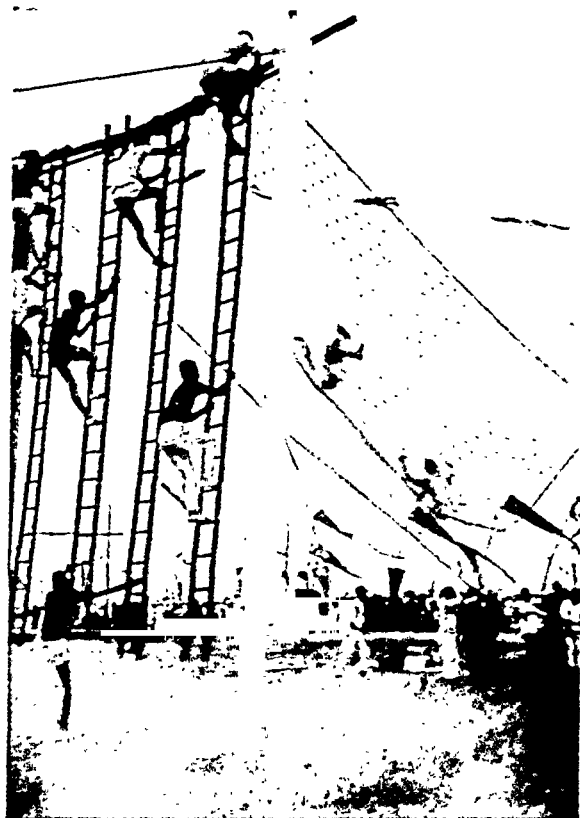


61. Fête of the Patron Gods of a Factory.

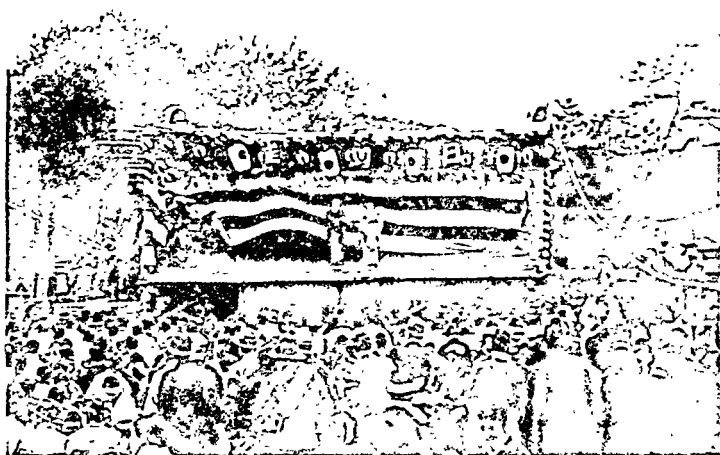


62. Ben Odori.

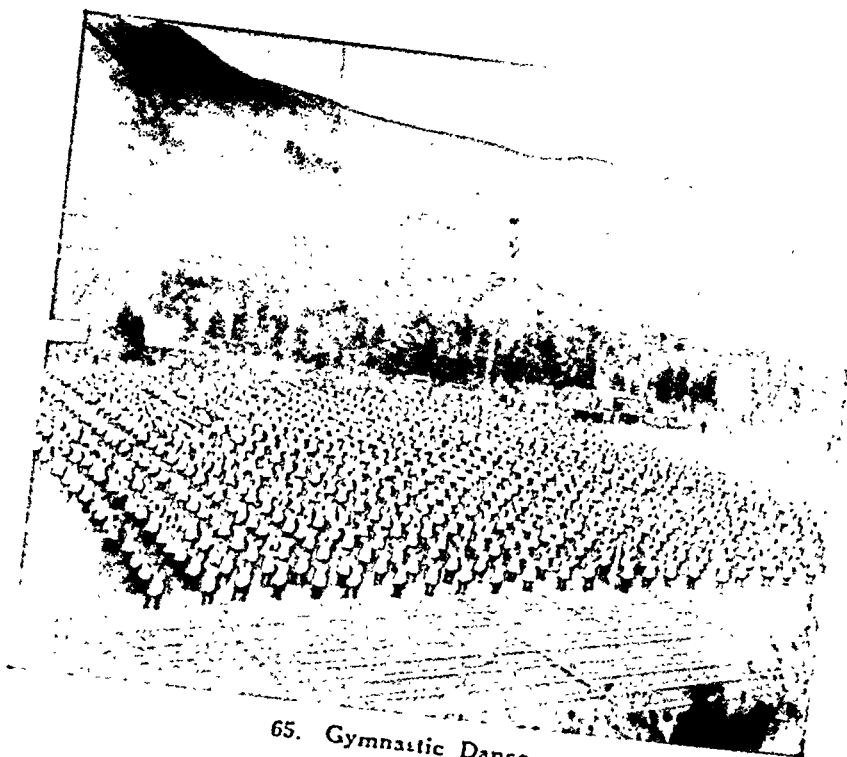
(A popular country dance on Japanese All Souls' Day)



63. Athletic Meeting.



64. Theatrical.



65. Gymnastic Dance.

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